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The Dilemma Between Democratic Control versus Military Reforms: The Case of the AFP Modernisation Program, 1991-2004

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Abstract

This article analyses the Armed Forces of the Philippines' (AFP) modernisation program as a case study on how excessive civilian control hampers military reform and causes discontent within the military establishment. The withdrawal of the American forces in 1992, and the challenge posed by China in the mid-1990s created the expectation that the Philippines was to embark on an arms modernisation program that would develop the armed forces' autonomous and external defense capability. However, almost a decade after the program was announced and almost seven years after the AFP modernisation law was passed, the Philippine military has yet to implement meaningful changes in its strategic doctrine and posture.

The paper observes that a political stasis—the post-1986 Philippine Congress' reassertion of its authority—greatly impeded any doctrinal change in the country's defense establishment and prevented the AFP from diverting scarce resources for military reforms. This in turn has prevented major reforms in the defense security sector as it hindered the AFP from pursuing the initial goals of its modernisation program—autonomy and capacity to address external security threats.

In conclusion, the paper observes that the current conservatism in the country's strategic affairs reflects the political stasis in Philippine society, brought about by the restoration of an elitist democracy and the ability of the political elite to use the Congress in wielding their influence over the country's defense affairs. Thus, it contends that any major reforms in the Philippine military should also involve transformation in its relations with the civilian government.

In the wee hours of July 26, 2003, 300 officers and men of the Armed Forces of the Philippines (AFP) took control of a shopping mall, an apartment and hotel complex, which are all located in the heart of the country's financial district. The rebel troops held the shopping complex for 15 hours and declared that they did not want to grab power from the government but only to express their indignation against what they called an unfettered corruption within the Philippine military. Calling themselves "Soldiers of the Nation," the rebels also complained, of low pay, poor training and favouritism in the service and accused top military and defense officials of masterminding the recent bombings in Mindanao and of selling arms and ammunition to Muslim rebels fighting for secession. After airing their grievances and negotiating with senior and retired officers, the rebels ended their mutiny and quietly returned to the barracks to await their court-martial.

In the aftermath of the mutiny, President Gloria Macapagal Arroyo formed an independent commission to investigate the causes of the restiveness in the AFP. In mid-October 2003, the commission came out with its vital findings which included, among the causes of discontent-- the deplorable state of the AFP. The commission observed collectively, the civilian government's general lack of support to the modernisation of its armed forces, poor planning, indifferent decision-making, and irrationality in the disposition of limited resources for AFP reforms have thwarted efforts towards the professional development of the armed services. Moreover, corruption has become an endemic problem in the AFP already suffering from scant resources. This is very ironic since the Philippine government has committed itself to modernise its armed forces since 1991. However, the Philippine legislature's general reluctance to finance expensive arms acquisition projects, the Asian financial crisis in 1997, and the resurgence of communist and Muslim secessionist movements in the late '90s prevented the modernisation program from taking off the ground.

The failure of the government to modernise the AFP in the 1990s showed that the country's political elite are more concerned about ensuring "democracy and civilian control" over the military establishment and enhancing its functions in dealing with internal threats, rather than strengthening its conventional war-making potential and external security roles. Unfortunately, the political elite seemed oblivious to the possibility that the continuous deployment of the AFP in the counter-insurgency campaign could have an adverse effect on the attitude of the military officers toward the civilian government--making them less amenable to objective civilian control. In their effort to enhance democratic control over the military, the elite have, unwittingly, created the necessary conditions for the military to usurp power and expand its political role in Philippine society. Thus, this paper examines how the Philippine elite, through the Philippine Congress, have prevented the defense/military establishment from implementing meaningful military reforms. It raises three pertinent questions: how can domestic political elite undermine military reforms? How is the absence of meaningful reform affecting the

AFP? And what is the prospect of any meaningful reform in the Philippine military?

Military Reforms and Political Elite

As a concept in Strategic Studies, military reforms can be defined as a rational state' response to changing politico-strategic circumstances, particularly changes in the nature of the threats, the balance of power and sometimes, in the internal dynamics of the body-politik.[1] The end of the Cold War in the early '90s has made military reforms or changes throughout the world an imperative. Globally, various armed forces have reformed and restructured according to the changing strategic environment of the post Cold-War era. Both government and its armed forces are taking into account declining threats from other states, the growing unwillingness of the public to pay the price of maintaining sizeable defense forces, the emergence of low-intensity conflicts in a world of increased interdependence, and the development of technologies that have provided relatively inexpensive and efficient substitutes for human-intensive armed forces.[2] The ability of states to effect military reforms depends on two factors: firstly on how well their military organisations adapt to their changing strategic, political, budgetary, and technological milieus; and secondly, and more importantly, the relation of the armed forces to the rest of society, specifically with reference to the political elite's willingness to provide more resources and allow the military to develop its own internal structure, ethos and war-fighting capabilities.

Changes or reforms in military doctrine and strategy, to a large degree, rest on the political elite's experience and learning that constitute the conceptual lens through which the state interprets and structures its politico-strategic reality. This conceptual lens plays a far more consequential role in determining strategic decisions and policies.[3] The political elite may be aware of the need for strategic adjustments, but because of psychological dysfunctions, miscalculations, or inappropriate strategic beliefs arising from cognitive constraints, they might respond by pursuing either overly cooperative or overly conflicting policies that can jeopardise the state's primary security interests.[4] In thinking of military reforms, the need to determine whether or not the proposed change is necessary and appropriate, if the reform will support the government's objectives, and if military changes can be tailored to ensure that a state's interest can be effectively secured, and what military organisation and practice will be emulated.[5] The political elite may undertake a military reform for reason of identity and legitimacy rather than to improve military effectiveness or adopt new military structures and practices to keep up with the competition in the international system. The civilian government may intervene directly to push its armed services to reform, or superficially, without any substantial results in the structure and capability of the defense establishment. Or it may show little interest in how the military reforms are implemented and only concerns itself with how much these reforms may cost the treasury.[6]

The 400 families, who dominate Philippine politics and government since the country became independent in 1946, constitute the political elite.[7] They have financed politicians (many of whom are members of their clans), and political parties, and purchased the loyalty of government bureaucrats and military officers.[8] The elite act as rent-seeking political powerbrokers who support successive Philippine presidents and members of the Congress. In return, they require these national officials to provide them with local and national largesse, thereby compromising the state's integrity and autonomy, and diminishing its resources.[9] The elite exercise their influence on the country's defense affairs and armed forces by: a) wielding power and influence over the state's principal means of coercion through legally controlling the military and police force, which, in turn, hold in check non-state armies, militias and insurgents; and b) formulating decisions that reshape, ignore, or circumvent the strategic interest of the military establishment. The Philippine elite dictate defense reforms through their control of the Philippine Congress. Through their power and influence over appropriation and budgetary matters, these legislators are able to affect defense programs. On the issue of defense spending, the legislators generally concentrate on the acquisition of the requirements for their electoral success—public works projects and patronage—while remaining suspicious of the military by subjecting defense budgets to minute scrutiny.[10] As evidenced by their behaviour in the National Assembly prior to World War II, the Philippine elite generally feel that "money ought not to be squandered on the army but could be spent on more constructive projects."[11] The elite's role as powerbrokers and their control of the legislature enable them to make the Philippine state a private instrument or a *prebendal* state.[12] Such state is characterised by a formal political unit created by external recognition, territoriality, and legitimate monopoly of violence but nevertheless an empty shell that is controlled by those possessing *force mejeure*—the 400 families.

The AFP as a Professional Military

Since 1946, the elite have seen the armed and ideological challenge from the communist movement as the more urgent threat to the state rather than external forces. The traditional Philippine political elite are unified by their fear of agrarian radicalism and their little interest in military institutions.[13] Formed immediately after World War II, the AFP was directed by the elite to fight against Japanese stragglers, local criminals and outlaws, the communist Hukbalahap (People's Army against the Japanese) and other anti-government elements.[14] Eventually, during the post-1946 era, the AFP concentrated on domestic insurgencies, while external defense has been considered as a latent function.[15] From the perspective of both the elite and the state, external threats are minor problems that could be addressed by the country's security relationship with the U.S.[16] Thus; the AFP has since focused on internal security threats --"the enemy within, rather than an external other."[17] However, the withdrawal from the Philippines of American military forces in 1992, and the consequent breakdown of the R.P.-U.S. security relations in the early '90s created the expectation that the Philippine military was veering toward external security concerns. Seemingly then, the AFP could now

institute a major reform as it could concentrate its resources and efforts outwardly, rather than inwardly or against local insurgents.[18] More than a decade later, the presumption proved to be false as external developments and more significantly, the elite's control of the Philippine Congress prevented any major reform in the AFP and brought the country's defense concerns back to internal security.

In the immediate post-World War II era, the Filipino elite saw the close security ties with the U.S. as extremely favourable to their interests. Because the Philippine state considered developing an autonomous defense capability too expensive, being security-dependent on the U.S. was considered as the best alternative. The elite had also seen the importance of the country's alliance with the U.S. not only because of its deterrent effects but also because of the various military assistance programs providing equipment, spare parts and training to the Philippine military. This aid translated to lower military expenditures as reflected in both economic performance figures and budgetary outlays.[19] Thus, the country did nothing to develop a self-sufficient and capable military during the Cold War period.[20] In fact, the Philippines registered lowest in defense expenditures in Southeast Asia and one of the lowest in the world. Low defense expenditures, in turn, made it possible during the '60s for the state to allocate 40 per cent of the national budget to health, education, and welfare, and another 14 per cent to other economic services as such road-building, establishment of post offices and provision of agricultural credits.[21] Significantly, this enabled the elite to generate resources that they could control and proffer to foster political patronage, especially during local and national elections.

The political elite's use of the AFP for counter-insurgency functions and the country's dependence on the U.S. for military equipment greatly affected the military's sense of "professionalism." On the hand, the Philippine military imbibed a sense of professionalism based on the objective acceptance of "civilian control." During the late '50s and '60s, the AFP acquiesced to its declining status and role in the domestic scene as it witnessed its defense budget being reduced, its civic actions trimmed down, and its autonomy relatively subordinate to civilian control.[22] On the other hand, dependence on U.S. security assistance and the Philippine military's involvement in internal security functions have affected an important aspect of the AFP's sense of professionalism—its level of competence in and the possession of the requirements for the "management of violence." Ideally, an armed forces' competence in external defense functions and involvement in the increasing complexity of inter-state conflict can make a military more specialised, more distinct, and apolitical.[23] This is not the case with the AFP. The Philippine military's resources and force structure have not been designed and geared to protect the country from external threats and foreign aggression.[24] Rather, its primary mission since the late '60s has been combating communist insurgency and later, the Muslim secessionist movement in Mindanao.

This has greatly affected the AFP's force structure and combat capabilities. The Philippine Army's (PA) weapons and equipment have been equivalent to a light infantry force structure with a combat capability only for counter insurgency mission.[25] The Philippine Navy's (PN) major surface combatants are mostly of World War vintage that have been in a sad state of despair and of questionable combat and other operational capabilities. The Philippine Air Force (PAF) is equipped with a number of fixed-wing aircraft and helicopters but its air defense capability has deteriorated since the '60s because of its involvement in counter-insurgency functions. With its limited external security role since the '60s, the AFP has been deployed for counter-insurgency operations from the 1970s to the present. This, in turn, gave the Philippine military the opportunity to develop its organisational, administrative, and ideological capacities to increase its clout to the detriment of the civilian government. Moreover, its involvement in internal security functions led to the demystification of the government, and the exposure of the weakness of civilian leaders and institutions to the AFP officers and men. Significantly, this created the necessary conditions for the military to expand its socio-political role in Philippine society.

Impetus for Military Reforms: The Modernisation of the AFP

In September 1972, President Ferdinand Marcos declared martial law. In building and consolidating his authoritarian regime, President Marcos used the military as a primary means to exercise his political power. During his reign from 1972 to 1986, the AFP served as a bastion of Marcos' New Society—enforcing his authority, arresting political opponents, staffing civilian agencies, conducting civic actions, and neutralising subversive or dissident groups.[26] The early martial law period was also marked by the government's attempts to develop the capabilities of the AFP and enable it to project an enhanced defense posture. The declaration of martial law, the abolition of the Philippine Congress, the expansion of the AFP's role and mission, the outbreak of the Muslim secessionist rebellion in Mindanao, and the general reluctance of the U.S. to provide the AFP with some counterinsurgency weapons made the country realise that it would have to supply its own armed forces with the necessary hardware for internal defense.[27]

The AFP, specifically the PA, began to acquire various non-American-made weapons system and equipment relative to its organisational expansion in response to heightened Muslim insurgency in Mindanao.[28] The government also initiated the Self-Reliant Defense Posture (SRDP) in 1974, aimed at developing the domestic defense industry to provide the necessary armaments and equipment to the Philippine military. Defense officials contracted SRDP projects with the government arsenal and local manufacturers, encouraging the use of indigenous resources and production capability to equip the AFP so that it could perform its "basic functions to move, shoot, communicate, and survive, free from external intervention and influence."[29]

The Philippine government's efforts towards an enhanced and independent defense posture gained momentum during the late '80s. In 1989, the Department of National Defense (DND) and the AFP prepared various long-term plans in the light of the U.N. General Assembly's passage of the Law of the Seas, the brewing territorial disputes in the South China Sea, and the PN's glaring inability to patrol and secure the country's wide maritime boundaries.[30] The AFP top bass also pushed for the modernisation of the PN by purchasing six Fast-Attack Crafts (FAC). The military top brass argued that the PN had no missile and blue- water capabilities and asked the Philippine Congress for funds to buy ships needed for a sequential control of the country's maritime territory.[31] For its part, the Philippine Senate encouraged the AFP to develop a 15-year arms acquisition program as a hedge for a possible withdrawal of American bases from the country and the consequent reduction of U.S. military assistance to the Philippine armed forces. The Senate also directed the AFP to formulate a general plan that would lessen the country's dependence on the U.S. security umbrella and to develop its external defense capability.[32] The Senate's eventual decision not to ratify the Philippine-American Cooperation Treaty (PACT) of 1991 compelled the AFP to plan for a self-reliant defense capability through an initial 10-year modernisation program. In its early version, the program focused on developing the AFP's conventional military strength through the purchase of a much-needed equipment and weapons systems. Concretely, it provided for the acquisition of all-weather interceptor planes, radar sites, a fleet of surface ships, amphibious landing transport ships, and naval gunfire support capability costing nearly Php140 billion (US$560 million at the 1990 exchange rate) spread over a 10-year period.[33]

Congress and Military Reform

The elite, however, were not inclined to increase defense expenditures despite the withdrawal of American forces from the Philippines and the consequent cut in U.S. military assistance to the AFP. They believed that as an insular country, the Philippines was not faced by any external threat at the time, and they felt no immediate pressure to allocate more resources for defense spending. They made sure that the AFP modernisation program would be predicated on the "principle of economy," best illustrated by purchasing the most economical equipment for the purpose of attaining or performing the mission of the armed forces.[34] Any arms acquisition made for the AFP modernisation program would be guided by the Philippine Congress' financial priority. Then Senate Defense Committee Chairman Orlando Mercado put it more succinctly: "We are not economically capable of going on a buying spree."[35]

The Philippine Congress instructed the Department of Budget and Management (DMB) to revoke the DND's Forward-Obligation-Authority, thus preventing the AFP from entering into any multi-year contracts. This meant that the AFP must get annual Congressional approval for any major arms acquisition. The Philippine Senate also tried to influence the objectives of the modernisation program. Filipino senators told AFP leaders that if they had their way, the modernisation program "will be

directed more at protecting natural resources than repelling armed invaders."[36] They also criticised the initial program as limited to the mere acquisition of equipment without any regard for force restructuring and organisational development, human resource development, and doctrine formulation. Although outwardly supportive of the AFP modernisation program, the Filipino elite saw to it that any major defense spending would pass through the legislative mill so that the Congress could determine the limits of the program implementation.[37] Furthermore, a law providing for the mechanics and objectives of any AFP modernisation program must first be legislated.

It took the Philippine Senate almost three years to debate and discuss the merits of the arms modernisation law, which resulted in a division of the upper chamber. On the one hand, a group of senators thought that Congress should grant the AFP the authority to commit the government to long-term, multi-year contracts, and to trust the military to use its proper judgment in determining what military hardware to acquire and when.[38] On the other hand, another group of senators was convinced that given the existing practices and the military's unimpressive record in arms acquisitions, the government might be throwing good money for nothing.[39] During the numerous deliberations on the bill, the legislators persistently argued that acquiring new hardware for the Philippine military would surely affect national priorities, as resources that could have been used for economic and social projects would have to be spent on the AFP modernisation program.[40] The Philippine Senate then required the AFP to submit a Table of Organisation so that it could manage the military's future purchase and determine its priorities in the modernisation effort. The Congress also dilly-dallied in approving the sale of military real estates so that AFP could raise the necessary funds for its arms acquisition program. Filipino legislators thought this delay was necessary so as to avoid problematic land deals the military might enter into in the face of the numerous graft-tainted cases the Congress was investigating at that time. [41] After nearly three years in the legislative mill, the Philippine Congress in February 1995 passed Republic Act No. 7898 or the law providing for the modernisation of the AFP.

The law obliges the government to fund and allocate a separate budget for a 15-year modernisation program. It also calls for a program that will develop the AFP into a responsive and effective force with external defense capability, as well as with civic and developmental functions to support the country's economic growth. An important component of the program is the replacement of the AFP's obsolete weapons system and the acquisition of modern hardware that can be utilised for military and civilian purposes. The program envisions the creation of self-reliant and modern armed forces highly capable of providing external defense, and of performing peacetime functions.[42] It also emphasises the development of the AFP's air and naval assets to provide the Philippine military adequate air defense, maritime surveillance, patrol, and response, and offshore territories patrol capabilities.[43] The PAF will acquire two squadrons of multi-role fighter aircraft and surface-to-air missile and gun system.[44] The PN will be given the biggest budget allocation for the purchase of three

frigates, six corvettes, 12 offshore patrol vessels, and 12 missile boats.[45] In addition, the Navy will also acquire nine helicopters and six fixed-wing aircraft to develop its naval aviation capability.

However, the law ensures that the allocation of resources for this additional defense expenditure would go through a very complex, legalistic and tedious legislative process and that any arms modernisation program for the AFP would be determined by the agenda of the legislators. Obliged by the law to provide a multi-year funding to the AFP modernisation, the legislators felt the need to reform the military establishment, and they, through RA 7898, prescribed a number of requirements "to ensure transparency" in what was expected to be multi-million dollars deals.[46] As then Senator Orlando Mercado declared in his sponsorship speech on the law in 1994: "This [the law] involves a vision for the Armed Forces of the Philippines, which Congress, as the highest policymaking body of government, now has the singular opportunity to shape."[47] RA 7898 specifies a budget ceiling of Php 50 billion (US$2 billion at the 1996 exchange rate) for a Five-Year Rolling Plan divided into five components: force restructuring, acquisition, bases development, human resource development, and doctrines development.[48] The act also stipulates that Congressional funding for the modernisation program will only be made available if there is a budget surplus. More significantly, the law requires a very cumbersome procurement process and a complex acquisition structure.

These two separate but sequential procedures provide a step-by-step and level-by-level process in equipment acquisition. The first procedure involves complex rules that include numerous requirements ranging from technical qualifications, foreign sources, amounts involved, and security considerations. Fulfilling all the procedural demands caused delays in the program implementation, and has forced a number of reputable defense manufacturers out of the bidding process due to their inability to meet the numerous requirements.[49] An Army lieutenant colonel assigned to the modernisation program comments: "The law was too stringent. We could not move forward easily because of structural flaws in the law. We understand some provisions are designed to make the procurement process graft-free but these also hampered the entire process."[50]

Immediately after the passage of the law in 1995, the AFP and the Congress found themselves face to face again in a 22-month gridlock over the nature of the program and whether the economy could afford the Php331.62 billion (US$13.24 billion at the 1996 exchange rate) price tag for the modernisation of the Philippine military. Unsure where it could sources the money, the Congress concluded that the Philippine economy was not capable of financing the program. Thus, it directed the AFP to reprioritise and revise the program so that the total amount for the whole modernisation would not exceed Php 170 billion.[51] The AFP tried to convince the lawmakers that this amount would not be enough to develop the capabilities of the armed forces. The legislators, however, had made up their minds that Philippine economy could simply not afford the Php 331.62 price tag of the original AFP modernisation program. After much

debate and discussion, both the Congress and the AFP agreed to a compromise—the implementation of the program would be divided into two phases. The first phase would total nearly Php164. 553 billion (US$6.62 billion at the 1996 exchange rate), while the original Php 331.62 billion program would be implemented if the Philippine economy would grow. As a consequence, the AFP went back to the basic requirements of the program. Eventually, on December 2, 1996, the Philippine Congress passed Joint Resolution No. 28, which provided for the legislative approval of the AFP modernisation program. The declaration, however, requires the defense establishment to submit to Congress an annual report of the AFP's implementation of the modernisation program along with the "estimated expenditures and proposed appropriation consistent with national security policy" laid down by the Philippine Congress.[52] The slow and tedious passage of the law and the approval of the modernisation plan demonstrate the Philippine elite's general reluctance to increase the AFP budget drastically and their general distrust of the Philippine military when it comes to its financial transactions.

The Missed Opportunity

In 1997, the defense establishment began operationalising the modernisation program. The AFP leadership completed the review and evaluation of the shortlists for the Multi-Role Fighter (MRF) Program of the PAF and the Offshore Patrol Vessel (OPV) Program of the PN. The passage of both the law and joint resolution, however, did not lead to an automatic appropriation of funds for the AFP modernisation program. Under the law, the AFP should first generate Php50 billion (US$ 2 billion at the 1996 exchange rate) seed money during the first five years, with interests to be retained so that the program could be financed continuously. However, Congress did not allot any funds for the first year and instead, tasked the executive branch of government to a portion of the military the Fort Bonifacio military reservation for Php 26 billion (US$ 1.04 billion) in 1996. Under the deal, the AFP was to get 35 per cent of the proceeds of the sale.

The Bases Conversion Development Authority (BCDA) was designated to sell the military property and handle the proceeds. The AFP's share was Php7.8 billion (US$ 312 million) but was eventually reduced to only Php5.8 billion (an estimated US$232 million). After the sale of the military real estate, the BCDA, however, did not immediately turn over the Php 5.8 billion proceeds to the AFP because of the apparent absence of an agreement between the defense and budget departments on money transfer. Instead, the money was channelled to the Philippine Government's general fund. Although the DBM issued a special allotment order for the release of the AFP's Php5.8 billion share in the next two years, a regional quagmire--the Asian financial crisis—militated against the initial implementation of the program. The peso depreciated by almost 40 per cent vis-à-vis the U.S. dollar as the Philippine economy suffered from a significant drop in foreign investments. The AFP suspended the PAF's plan to acquire a squadron of MRF planes as well as the PN's order of six offshore patrol vessels due to the inflated costs of equipment caused

by the rapid decline of the purchasing power of the Philippine peso.[53] The AFP also took into account the need to balance internal security and external defense priority operations in the light of increasing activities of communist insurgents in the late '90s.[54]

Back to Internal Security

One of the assumptions behind the Philippine government's decision to modernise the AFP was the projected strategic defeat of the communist movement in the early '90s. During that period, the number of communist guerrillas dramatically decreased from a peak strength of 25,800 in 1988 to about 14,470 in 1992.[55] In January 1991, the Philippine Congress passed Republic Act No. 6975. This law provides for the conditional transfer of the counter-insurgency function from the AFP to the Philippine National Police (PNP) by January 1, 1997. However, in the mid-90s, the moribund Communist Party of the Philippines (CCP) grew from 4,000 in 1995 to 9, 400 in 1999 while its military wing, the New People's Army (NPA) increased from 6,020 in 1995 to 11,930 in 2001.[56] The communist insurgents' firearms also increased by 4 percent annually since 1995 and guerrilla fronts expanded from 58 in 1995 to 70 by the turn of the century.[57] At the same time, the Moro Islamic Liberation Front (MILF) began mobilising its forces for the secession of Muslim Mindanao from the predominantly Christian Philippine state. Faced with a resurgent communist insurgency and a renewed Muslim secessionist rebellion, the Philippine government found it imperative to transfer internal security functions from the PNP back to the AFP.

This arrangement took effect in early 1998 when President Fidel Ramos signed Republic Act No. 8551.[58] With the passage of this law, the AFP shelved its plan to reduce its personnel and began deploying forces in rebel-infested areas in the Philippines.[59] In early 1999, the MILF and the AFP began engaging in a number of full-scale combat encounters. With 12,458 regulars and 8,466 firearms, the MILF boosted its military campaign for the establishment of an Islamic state in Mindanao.[60] This move compelled the AFP to recruit 9,000 able-bodied men to constitute the Citizens Armed Forces Geographic Units (CAFGUs) that were deployed in areas that could not be covered by the AFP. The AFP also found it essential to direct the PN and PAF to provide units and combat support assets for counter-insurgency operations. More significantly, this turn of events goaded the AFP to reconsider its plan to focus on external defense functions and to redirect its strategy to defeating rebel groups in order to attain and thus, attain internal security.[61] The 2001 National Military Strategy directs the AFP to develop a "focus and contain" strategy against the insurgents. Thus the Philippine military has to concentrate its limited manpower and resources on a particular objective (internal security) rather than spreading them thinly without any significant impact. External threats will have to be overlooked until the AFP can redirect its resources toward them

Consequently, the AFP's priority shifted from external defense and arms modernisation to internal security concerns and the mere refurbishing of

old counter- insurgency equipment. Plans to acquire MRF for air combat, long-range patrol ships for naval interdictions, and a command-and-control system to connect the various AFP units were all relegated as long-term projects. The Philippine military began prioritising the requisition of assault rifles, mobility-enhancing equipment such as the M-113 armoured-personnel carrier, artillery equipment, and night-vision devices for the PA.[62] Reversion to internal functions led to a radical change in the AFP's plan of projecting its capability from the Philippine shorelines to its maritime borders and of developing the PAF and PN.[63] Now, the priority is the PA, while the PAF has to develop its ground support and tactical airlift capabilities. Meanwhile, the PN has to focus on building the Marines' amphibious and sealift capabilities.[64] Admitting the adverse effect of the counter-insurgency campaign on the AFP modernisation program, the former commander of the AFP Modernisation Board bemoaned: "Our original intention was to develop [the] Navy and Air Force capabilities. We ended up prioritising small items for [the] counter-insurgency equipment of the Army."[65] he current program prioritises the PA's acquisition of cargo trucks, engineer equipment, night vision weapons sights, squad automatic weapons, grenade launchers and night vision goggles.[66] Making matters worse, the AFP Internal Security Operation Plan projects that the AFP will have to address the threat posed by insurgent groups until 2005. This fact forced the Philippine military to postpone its Five-Year Rolling Plan beyond that year.[67]

A Lost Cause?

In fairness to the civilian government, the executive branch has periodically tried to push for the modernisation of the AFP. However, legislative reluctance to fund the modernisation program and the occasional domestic political turmoil have always pre-empted any of these initiatives from being implemented. In December 1998, concern over Chinese forces allegedly fortifying their structure in Mischief Reef, prompted President Joseph Estrada to declare his intention to modernise the AFP.[68] The following year, President Estrada released Php3 billion (an estimated US$85.7 million at the 1999 exchange rate) in 1998 as an initial fund for the modernisation of the AFP and promised to allocate Php 7 billion (US$ 200 million at the 1998 exchange rate) more the following year to start the program rolling.[69] Encouraged by President Estrada's support for the program, the AFP top brass set their eyes on the acquisition of three offshore patrol vessels in the next five years.[70] However, the Estrada Administration's focus on internal security and the consequent preoccupation with the political crisis that culminated in his fall from power in 2001 derailed the implementation of the AFP modernisation program.

In early 2001, President Gloria Macapagal Arroyo tried to jumpstart the modernisation program by instructing the DMB to issue a special Allotment Release Order for Php5.484 billion (an estimated equivalent of US$107.5 million at the 2001 exchange rate) to the AFP, which represented the military's share in the sale of a portion property of the Fort Bonifacio estate in the mid-'90s. However, the Arroyo Administration

discovered that the AFP's due share was not deposited to the AFP Trust Fund but was remitted to the government's general fund. Consequently, the fund was used by the Ramos Administration for the protection of certain vital economic sectors--particularly agriculture-- which were adversely affected by the trade liberalisation program.[71] In 2002, President Arroyo asked Congress to allocate additional funds to the long-delayed AFP modernisation program. However, instead of heeding her call for additional funds, the Philippine Senate reduced the proposed budget from Php 10 billion (an estimated US$200 million at 2002 exchange rate) to Php 4 million (an estimated US$80 million). Almost seven years after RA 7898 was passed, a number of senators are still convinced that given the existing corrupt practices in arms acquisitions and the AFP's unimpressive record in military hardware purchases, the government "may be throwing good money after bad" in its arms modernisation program.[72] Legislators also reasoned out that since the U.S. is providing the AFP with military trucks, artillery, helicopters and communications equipment, there is no need to purchase military material and that the budget for the AFP modernisation should instead be used for troop recruitment and the conscription of more paramilitary CAFGU.[73] A year after the reduced budget was passed by Congress, the DBM did not release a single centavo of the fund because of the reported shortfall in the government's reserve allocation. The government recorded a dismal tax collection, causing the treasury to incur a Php 130 billion (an estimated US$ 2.5 billion at the 2002 exchange rate) budget deficit target for 2002.[74]

More than 10 years after the program was announced, no amount has been spent for the AFP modernisation program. The Congress is still reluctant to fund any program directed towards the development of the country's autonomous defense capability. Obviously suffering from the lack of funds, disappointed with the Philippine Congress' reluctance to allocate resources for additional military spending, and still reeling from its reversion to internal security functions, the AFP formulated a down-scale modernisation program that primarily provides for a mere upgrading of existing PN and PAF equipment such as the UH-1 helicopters, C-130 transports, F-27 reconnaissance aircraft, World War II vintage Landing Ship Tanks (LST), and patrol vessels.[75] The new program also limits the acquisition of military hardware to only two Fast Craft Utility (FCU) worth Php150 million (an estimated US$28 million). If implemented, this modified modernisation program will primarily be aimed at enabling the PN and the PAF to extend the serviceability of their ageing equipment. These two branches of the military will be tasked to support the PA against insurgencies that the AFP cannot subdue because of its chronic deficiencies in ground mobility, air assault capability, and maritime patrol and transport capabilities.[76]

The Oakwood Mutiny

The non-implementation of its modernisation program and the military's reversion to internal security functions caused a number of officers and men to quip that the AFP is not an armed service but a glorified constabulary.[77] PAF pilots complained that their Vietnam War-vintage

planes are flying coffins while their naval counterparts expressed their dismay over ageing equipment and warships that cannot even detect or much more, interdict Chinese, Malaysian, or Vietnamese junks that stray into Philippine claimed waters in the South China Sea. The AFP top brass perceive external defense upgrading as necessary in maintaining the country's respectable image in international politics. However, they have to accept the fact that budget realities dictate the fate of the modernisation program and that insurgencies will remain the armed forces' primary concern in the years to come.[78] Bereft of any conventional military capabilities, the AFP has no choice but to adopt a policy of conflict avoidance when it comes to the country's external security needs.

In July 2003, this brewing discontent over the inability of the AFP to modernise was made public. On July 27, 2003, 323 officers and men, coming from the elite formations of the AFP—the PA's Scout Rangers and the PN's Special Warfare Group [79] (SWAG)—occupied the Oakwood Premier Apartments in the Ayala Center in heart of the Philippine's financial/commercial district. Led by a small core of junior officers who called themselves the "*Magdalo* Group," the mutineers declared that their occupation of Oakwood premises was staged to enable them to air their grievances about graft and corruption in the AFP, the sale of arms and ammunitions to the insurgents, the involvement of key AFP and defense officials in the bombings in Davao City, and the micro-management of the AFP by then Department of National Defense (DND) Secretary Angelo Reyes. Aside from hurling a litany of corruption charges in the AFP, they also emphasised the need to control corruption to modernise the Philippine military. The mutineers rigged the area with explosives and occupied the apartment and the shopping complex for a gruelling 15 hours. Then, after the mutineers had aired their grievances and negotiated with government representatives, they abandoned their position, unwired the explosives they installed around the area, and immediately returned to their barracks, where they awaited their fate. Although the mutiny was brief and bloodless, the incident became a stark reminder that the survival of the country's democratic institutions depends on the actions and whims of a "not-always perfect armed forces."[80]

The dramatic stand-off between the rebels and government forces was an eye-opener to President Arroyo, for the government and its primary ally in the war against international terrorism, the U.S. The mutiny proved that even after Marcos's authoritarian regime had been overthrown in 1986, the military could still threaten the country's precarious and fragile democratic institutions. It also brought back to light the old notion that the military wields great power in Philippine politics and it constitutes itself as a fiefdom outside the domain of the civilian government. This, in turn, fosters corruption and contempt for any sense of accountability among its ranks. The mutiny also alarmed Washington. The Philippines has been a staunch ally of the United States in the war on terror since September 11, 2001. Manila allowed Washington to deploy U.S. Special Forces to neutralise the Abu Sayyaf (ASG), a band of Islamic militants with alleged ties to Al Qaeda. Manila also received millions of dollars worth of military assistance and training to help the AFP deal with the transnational

threat of terrorism. However, the mutiny revealed that the problems in the Philippine military are more than just technical or logistical and that further U.S. military assistance to the AFP might just be a waste of American taxpayers' money. Furthermore, it gave the impression that not even several coup attempts, commissions, annual congressional hearings, and recommendations can reform the AFP. [81] Somehow, the mutiny showed that the AFP has not really developed during the so-called period of democratisation. Reforms undertaken in the past are merely cosmetic and rhetorical, thus hardly making a difference in the military establishment.

As in the case of the 1989 coup attempt, the Arroyo Administration on July 29, 2003 issued Administrative Order No. 78 which created a fact-finding commission to investigate the July 27 mutiny. Named the Feliciano Commission, this independent body was tasked to look into the mutineers' grievances and claims especially those that concerned senior military and defense officials allegedly selling weapons and ammunitions to insurgents in Mindanao. After three months, the commission came out with a general finding that the problems in the military are very much akin to ubiquitous malaise in Philippine society—the lack of good governance. A very interesting issue raised by the commission is the pathetic and obsolete state of the AFP's hardware due to the slow pace of the modernisation program. The commission observed that the most telling weakness of the AFP is its equipage. The government could not even effect a modernisation program, which is aimed at simply upgrading the combat-ready status of the AFP to a minimum acceptable level since the state of the "AFP equipage has inexorably deteriorated over the years."[82] The commission, however, attributed this problem "to succession of world-wide economic crises, poor planning, indifferent decision-making, and seeming irrationality of the modernisation fund." [83]

Unfortunately, this investigating body did not note that the failure of the government to modernise its armed forces stemmed from the general reluctance of the legislature to finance such a military reform. The commission glossed over the fact that when the U.S. withdrew its military facilities from the country and ended its security assistance to the AFP, Congress did not substantially increase the military budget to cover the gaps brought about by these two developments in post-1991 Philippine-U.S. defense relations. Remarkably, it raised a number of valid issues, such as the AFP's key role in counter-insurgency, which created the government's dependence on the military for its survival as well as the military's ageing equipment and weapons system. However, it failed to conclude that the inability of the AFP to effect any meaningful reforms in the '90 was traceable to the political elite who are more concerned about ensuring civilian control over the AFP, rather than taking into account its war-making potential and general efficiency as a defense force. With an unreformed military plagued by insufficient budget and tasked with internal security functions, the government would have to live with the prospect that the AFP will remain an anomaly among most East Asian militaries that "are generally moving toward a more distinct and apolitical

institution that is developing standards of behaviour, knowledge, and competence focused on the management of violence."[84]

The JDA: The Last Chance for Reform?

In the late '90s, China's occupation of Mischief Reef created an opportunity for the improvement of security relations between Manila and Washington. The incident removed the incentive for political posturing in the Philippines over the restoration of military ties with the U.S.[85] After decades of defense efforts concentrated on internal defense, the Mischief Reef incident made the Philippines realise that Chinese expansionism might be the long-term external threat confronting the country, along with the communist and Muslim insurgencies. The Philippines, however, did not have the capabilities to project military power vis-à-vis China, and worst, the AFP's hardware was rotting away. The withdrawal of American military assistance caused the rapid deterioration of the AFP's hardware, which relied on American-made spare-parts, logistics, and technical expertise. The Philippine government could not pick up the annual US$200 million tab in military assistance that the U.S. was providing until 1991, and this represented about 67 per cent of the AFP's acquisition and routine maintenance costs.[86] This loss forced the Philippine government to pay for the cost of maintaining ageing and almost obsolete equipment of the AFP, which previously depended on the U.S. for repair and maintenance. Eventually, the AFP lost a number of its important air and naval war-fighting capabilities and missions such as territorial defense, anti-surface warfare, air-defense, and air-interdiction, air-to-air combat, anti-surface and anti-submarine warfare among others.[87]

Concomitantly, the Philippine government began to seek military assistance from the U.S. for the AFP's modernisation. Philippine government officials expected an increased arms transfer from the U.S. once security ties with two allies were fully revitalised.[88] They realised the urgent need to revive the two countries' bilateral security relations as a possible precondition for American aid in the modernisation of the Philippine military. In view of the emerging security challenge from China, the Philippines and the U.S. conducted a series of negotiations providing for a legal guarantee in the deployment of American troops deployment in the Philippines during military exercises and ship visits. Both negotiated a Visiting Forces Agreement (VFA), a functional equivalent of Status of Forces Agreement. The agreement was deemed necessary in resuming cooperative military activities between the two allies and in re-establishing American strategic deterrence in Southeast Asia. Manila and Washington spent almost two years of tense and impassioned negotiations before an accord could be drafted.[89] On February 11, 1998, the two sides finally signed the VFA. In late May 1999, the Philippine Senate ratified the R.P.-U.S. Visiting Forces Agreement.

The ratification of the VFA created a conducive political environment for the resumption of American material and technical support for the Philippine military. Although there was no direct link between the

Philippine Senate ratification of the VFA and the U.S. security assistance, some level of American military aid and technical support were extended to the Philippines immediately after the VFA ratification. In October 1999, then Philippine Defense Secretary Orlando Mercado and his American counterpart, Secretary of Defense William Cohen, established a policy--level dialogue aimed at assisting the Philippines in its defense needs. Subsequently, the two allies conducted defense policy dialogue and joint evaluation of Philippine military requirements with the resumption of the Foreign Military Assistance Program and the implementation of the Excess Defense Article Program. These programs were primarily devised to handle to the AFP's more immediate security concern in the late '90s—internal defense in view of the renewed insurgencies by the secessionist MILF and the communist NPA.[90] Similarly, the allies set bilateral consultations to address the Philippines' long-term equipment requirements, and to coordinate their defense policies on regional security matters.

The terrorist attacks on the U.S. on September 11, 2001 and the consequent American campaign against global terrorism gave more impetus to the revitalisation of the R.P.-U.S. alliance. In August 2002, U.S. Defense Secretary Donald Rumsfeld and then Philippine National Defense Secretary Angelo Reyes signed an agreement creating a bilateral Defense Policy Board. This board empowers civilian officials from both countries to deal with issues of politically managing the alliance and addressing matters of common security interests.[91] It is also tasked to help Manila develop its defense industries, and in the maintenance of the AFP's military equipment.[92] More importantly, the board is responsible for creating the policy situation ideal for a robust defense relationship and for exploring avenues in defense cooperation for a dynamic regional security environment. A direct result of this revitalised security relations with the U.S. in the 2003 Joint Defense Assessment (JDA) of the AFP's capabilities and requirements. The JDA commits the U.S. to assist in developing a defense program that will improve the AFP's ability in responding to threats to national security. A senior executive steering committee composed of representatives from the U.S. Defense Security Cooperation Agency, Office of the Secretary of Defense/Policy, the Joint Staff and the U.S. Pacific Command will provide oversight and guidance to the JDA Planning and Implementation Group of the Philippine Department of National Defense. The JDA obligates the Philippine defense establishment to implement reforms, such as the adoption of a strategy-driven, multi-year defense planning system, an overall increase in defense budget, and the streamlining of personnel in order to increase the budget for operation and maintenance, and capital expenditure.[93] A part of the JDA states:

To ensure sufficient funding for O & M (Operation and Maintenance), the overall defense budget should be increased and personnel expenditures should be reduced. So that by 2005 personnel expenditures occupy no more that 50% of defense spending. Philippine defense expenditures are low as a proportion of the overall economy, therefore a modest increase in

defense expenditures (e.g., 1.7 % of GDP from current 1.2%) will not impose an excessive burden on the Philippine economy.[94]

The JDA also calls on the government to adopt an integrated multi-year defense budget process that programs over time the expenditures associated with each element of the DND/AFP. Ironically in the past, the Philippine Congress had resisted these measures which according to the legislators since they would undermine the legislative prerogative in defense matters and would lead to an overall increase in the defense budget. Like the AFP modernisation program, the JDA's recommendations, however, may end up being conveniently over-looked or dismissed outright, conveniently but gradually considered by Filipino legislators depending on budget realities.

Conclusion

The Philippine case shows how a domestic political stasis—specifically Congressional activism—can undermine military reforms. The traditional political elite in the Philippine Congress have little interest in military or strategic affairs. They instead focus their attention or efforts on accumulating resources and patronage—two crucial components of their control over local and national politics. The elite also see internal security as a primary strategic concern and view external forces as veiled threats that can be handled by the country's superpower ally, the U.S. The perception and attitude of the Philippine elite guided Philippine defense policy from the late '40s to '70s as the country's strategic attention and military resources were directed at neutralising internal threats, while external security concerns were addressed by the U.S.. This alliance was made more cohesive by American military assistance, which enabled the elite to keep military expenditures as a percentage of government outlays and GNP relatively low.

The declaration of martial law in 1972, the dissolution of the Philippine Congress, the eruption of the Muslim secessionist rebellion in 1973, the AFP defense planning in the late '80s, and the withdrawal of U.S. military facilities from the Philippines in the early '90s created the impetus for the state to strive for an enhanced and autonomous defense posture geared toward external defense. In the aftermath of American withdrawal from the country in 1992, the AFP tried to develop an autonomous and external defense posture. However, confronted by the prospect of a radical increase in the defense spending, the Philippine elite, through the Philippine Congress, constrained the appropriation for the modernisation program and subjected it to a long and tedious legislative process. Eventually, after years in the legislative mill, the law providing for the modernisation of the AFP came out in 1995. However, Congressional reluctance to fund the program and the Asian financial crisis of 1997 prevented the Philippine military from implementing its plan to acquire modern planes and ships. Without any means of projecting its conventional military capability, the AFP has been relegated to its original counter-insurgency function.

The unchanging nature of the country's strategic doctrine and posture, in a way, reflects the political stasis in Philippine society. It also indicates that Philippine politics and society have remained largely unchanged because of the continuing influence of a traditional political culture, a stagnating economy, the inability of the state and the military to achieve autonomy from domestic political institutions, and more importantly, the skill and shrewdness of a small group of 400 wealthy families who use the legislature in wielding their influence and control over the state's primary instrument of coercive power. Any meaningful reform in the Philippine military will have to take this into account. Socio-political forces such as the political elite's attitude vis-à-vis defense matters and reforms, their control of the legislature, and their efforts to make the armed services subservient to their whims at the expense of military professionalism can either facilitate or hinder any meaningful reform in the AFP. Unless these factors are considered, any effort to transform the military, as one retired Army officer has put it, "will not make a dent in changing the AFP."[95]

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