

# ***The ARMM and EAGA: A Policy Assessment \****

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**S**ince the organization of ARMM in 1990, a lot of attention has been given to this new subnational political entity. I understand that some of us have reservations about the present constitution of ARMM as created by RA 6734 while some also think that it is the answer to the development requirements of Muslim Mindanao. With the development of BIMP-EAGA, questions have been asked about the kind of role the ARMM should take and the benefits it may reap from this economic network. In this brief paper, I shall try to describe and evaluate government policy vis-a-vis ARMM as it relates to the BIMP-EAGA.

## **BIMP-EAGA and ARMM**

### *BIMP-EAGA*

The development of the economic network called Brunei-Indonesia-Malaysia-Philippines-East ASEAN Growth Area (BIMP-EAGA) is based on the principles of cooperation and complementation among member countries (Dominguez, 26 October 1993). Understandably, the common need for development is better addressed when individual nations deliberately join their talents, efforts and resources. Because of varying levels of progress and different sectoral strengths and weaknesses of the concerned national economies,

complementation assures a more responsive arrangement for regional development. The similarities and dissimilarities in resource endowment and technological givens are factors that must be objectively identified and structured for maximum unity. Cooperation and complementation imply the integration of differentiated sub-regional economies into one vibrant regional economy.

The BIMP-EAGA specifically involves the following: Brunei Darussalam; the provinces of the East and West Kalimantan and North Sulawesi in Indonesia; Sabah and Sarawak in Malaysia; the Southern Philippines (Mindanao, Sulu Archipelago and Palawan). This growth area is supposed to be a "Gateway to collective prosperity in the ASEAN Region" (Dominguez).

Philippine external economic relations have been principally focused towards the North and other more advanced countries. More often than not, these past relations have been exploitative of our own weaknesses, something that is manifested in our economic backwardness.

The Philippine South, apart from being a traditional supplier of agricultural products and other raw materials, was also known for such "economic" activities as barter trading, smuggling and kidnapping. A closer scrutiny will reveal that the provinces now constituting ARMM are probably the best candidates on Mindanao for the latter claim. With BIMP-EAGA and Philippines 200, we hope to see the demise of this negative imagery on Mindanao.

### *ARMM*

ARMM was formally created on August 1, 1989 when then President Corazon Aquino signed into law Republic Act 6734 and subsequently, a plebiscite held on November 19, 1989 caused its so-called ratification in the four provinces now constituting ARMM. I say "so-called" because our experience as actual participants in the plebiscite process hints that the Comelec count in this ARMM province is not necessarily consistent with the real sentiments of the people. Now, if you have at least the familiarity of Hydee Yorac with Moro electoral realities, you might not easily dismiss this allegation.

On February 17, 1990, the first election for ARMM regional officials was held while ARMM was formally inaugurated on November 6, 1990.

The four provinces constituting ARMM belong to the poorer areas of the country. They are not contiguous although they are united in lawlessness and the other manifestations of Myrdal's "soft state." No city is part of the ARMM even if

its seat is located in the City of Cotabato.

The regional government has inherent powers under RA 6734. Its legislative powers are vested in the Regional Legislative Assembly and the nature and extent of these powers may be gleaned from the fact that since the first RLA session on April 23, 1990 to date (or almost exactly five years) it has passed only thirty-seven laws.

The Regional Government (RG) enjoys some taxing powers, of course, with exceptions. Through its constituent local units, it is supposed to collect these taxes subject to a sharing schedule as provided for by RA 6734. Why the Regional Government is not collecting these taxes, while the national Government's Bureau of Internal Revenue continues to collect the same, is probably symptomatic of what remains of the RG's taxing powers when those exceptions are removed (Tanggol, 1993).

Potentially, the ARMM can benefit much from the BIMP-EAGA. As the most underdeveloped region in the South, it may have nothing to lose in this arrangement. Its southern islands are closer to the BIMP areas than to the rest of the country. Culturally, it enjoys the closest proximity to Brunei, Indonesia and Malaysia.

### **ARMM Policy Directions**

Recognizing the significance of BIMP-EAGA to the development of ARMM, the Regional Governor issued Executive Order No. 02 on January 5, 1995 "Creating the ARMM Task Force on BIMP-EAGA and MEDCO Affairs" with the following functions (EO 2):

1. To oversee all projects and activities of ARMM in relation to BIMP-EAGA and MEDCO;
2. To ensure and facilitate the active participation of ARMM on all BIMP-EAGA and MEDCO activities and other related activities;
3. To directly facilitate and assist in trade and investment projects and activities in ARMM in relation to BIMP-EAGA and other foreign ventures;
4. To study and recommend policies and programs in ARMM that will improve and enhance the trade and investment development and promotions of the region;

5. To assist local and foreign private business organization, non-government organization, and the like, in the conduct of trade in investment in ARMM in relation to BIMP-EAGA and other foreign ventures;

6. To directly coordinate with OP Mindanao, MEDCO and BIMP-EAGA Secretariat on MEDCO and BIMP-EAGA related inter-regional activities; and

7. To act on other BIMP-EAGA and MEDCO related matters as directed.

This task force was composed of “the Office of the Regional Governor, as Chairman, with DTI-ARMM, DOT-ARMM, DAF-ARMM, DENR-ARMM, RBOI-ARMM and RPDO, as members, as well as the Office of the President, Mindanao (OP-MIN) which would be invited as an ex-officio member” (EO No. 02). The heads of these offices comprised the Executive Committee of the Task Force.

On March 22, 1995, the Regional Government issued Executive Order No. 04, “Amending Executive Order No. 02... By Creating the ARMM BIMP-EAGA Council.”

As the policy-making body of the ARMM on BIMP-EAGA matters, this Council is composed of the following:

- a) Regional Governor, Chairman;
- b) DTI-ARMM Regional Secretary, Vice Chairman;
- c) DOT-ARMM Regional Secretary, Member;
- d) DENR-ARMM Regional Secretary, Member;
- e) DAF-ARMM Regional Secretary, Member;
- f) DOLE-ARMM Regional Secretary, Member;
- g) DECS-ARMM Regional Secretary, Member;
- h) RBOI-ARMM Chairperson, Member;
- i) RPDO Executive Director, Member; and

j) **OP-Mindanao Area Management Officer, Ex-Officio, Member.**

**EO No. 04 also creates the ARMM BIMP\_EAGA Secretariat which “shall manage the day to day affairs of the ARMM BIMP-EAGA Council and shall have the following functions:”**

- 1. To oversee all the projects and activities of ARMM in relation to BIMP-EAGA;**
- 2. To study and recommend policies and programs in ARMM that will improve and enhance the trade and investment development and promotions of the region;**
- 3. To ensure and facilitate the active participation of ARMM on all BIMP-EAGA activities and relative activities;**
- 4. To coordinate and assist other government agencies, especially on the national government agencies in all BIMP-EAGA related undertakings;**
- 5. To assist local and foreign private business organizations in the conduct of trade and investments in ARMM in line with the BIMP-EAGA projects;**
- 6. To directly coordinate with OP-Mindanao and the BIMP-EAGA national related matter; and**
- 7. To act on all other BIMP-EAGA related matters as directed by the Regional Governor.**

**The Secretariat “shall be headed by an Executive Director who shall direct the implementations of approved policies, plans and programs” of the Council. “The ORG Chief of Staff shall be designated as the Executive Director.”**

**According to one of the members of the Council, consultations were already done between the ARMM, MEDCO and OP-Mindanao regarding BIMP-EAGA and ARMM. ARMM representatives have participated in various sectoral meetings, conferences and workshops. The Regional Government has started upgrading ports and airports. And support activities were already underway such as the upgrading of ports and airports and the hastening of the peace process. These, I was told, are intended to create the necessary infrastructure and climate so the investors will be attracted to ARMM.**

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**Issues and Problem**

As the BIMP-EAGA is still in its infancy, it may be premature to make an objective assessment on it at this point, particularly as it relates to ARMM. We shall instead raise several policy issues and problems for the consideration of everyone.

With regards to National Government, a cloud of doubt can be seen by some as to its commitment towards ARMM's development, especially within the BIMP-EAGA framework. Already, people are asking: For whom? Is it for big business at the continuing sufferance of the masses? Is it only for the Christian entrepreneur at the expense of the indigenous tribes of Mindanao? Is it only for "imperial" Manila or Davao or General Santos with the rest perennially waiting for the so-called "trickle-down effect"?

We were, however, informed that the government, through OP-Mindanao and MEDCO, has been trying to reach out to ARMM and invite the latter's participation in BIMP-EAGA activities.

A more important issue concerns the attitude of the national Government vis-a-vis ARMM as a political entity. With the on-going talks between the GRP and the MNLF, we are quite uncertain about the future of ARMM. Whether it will expand or constrict, geographically and politically, we are not sure. No one exactly knows whether or not we will have regional elections next year. This naturally leads to a lot of insecurity on the part of those who will be affected by any political change in ARMM. And, of course, we understand how insecurity takes its toll on efficiency and effectiveness.

The bigger problem, it seems, is the policy attitude of Manila towards the Muslim problem. Elsewhere, we have noted the incoherence of government policy vis-a-vis the Muslim problem. From the late Ferdinand Marcos to Corazon Aquino on to the present leadership, we have noted the shifting focus of government policy actions. At times, the political question would be addressed. At other times, especially when bilateral discussions would be intractable, the socio-economic or development issue would be raised. Autonomous governments, including the present ARMM, were installed and the Muslim problem still stares us in the face.

It is important to note that any discussions on ARMM cannot be isolated from the bigger issue of addressing the Muslim problem. For the ARMM is a contrived solution, supposedly to cure the latter. An attitude towards the ARMM betrays an attitude towards the Muslim governance. The perceived transitory nature of ARMM is probably responsible for the kind of attitude it receives from the

concerned sectors.

While development is a real problem of the people of Mindanao regardless of regional, ethno-religious or political boundaries, I submit the thesis that the Muslim problem in the Philippines must be confronted through a policy package that addresses the twin issues of Muslim self-determination and social justice. As I have said earlier:

It calls for enough political, fiscal and administrative powers for the Muslims - some tools and space where they can cook their own food. This means enough policy-making powers for the regional legislature so regional lawmakers do not have to nibble at the existing powers of the local government units. It means sufficient taxing base so the region need not beg for money from Manila and thereby negate the concept of autonomy. It means having effective hold over the administrative machinery of the region so the goods and services are delivered faster to the people. And it means taking a quantitative and qualitative improvement in approaching the issues of area of autonomy, ancestral domain, Shariah Courts, and national aid, among others (Tanggol 1993).

This means that RA 6734 must be seriously assessed as a policy formula and replaced by a more responsive one that approximates the above requirements.

### **Natural Constraints of ARMM**

The Regional Government is obviously faced with enormous challenge if ARMM should be a significant cog in the BIMP-EAGA economic wheel. ARMM leaders and policy-makers should direct their policy efforts towards addressing certain realities or constraints.

First, the human resource component of the Regional Government should be improved. It is a common observation, something we have confirmed in our research, that the Autonomous government is short of technical skills for all aspects of governance. An ambitious personnel development must be put in place and recruitment of new staff must be based on merit rather than partisan or personal factors. After all, human resource is one of the most critical determinants of administrative capability.

Second, the physical infrastructure in ARMM should be developed. Roads and bridges, seaports and airports, and other infrastructural support facilities should be put in place to attract potential investors. The P615 million annual subsidy should be properly managed and prioritized in accordance with the new economic directions of the country and the ARMM.

Third, a lot should be done to improve the peace and order situation in the ARMM province. Whether part of what we read in the media regarding the proliferation of loose firearms and armed groups, kidnapping and other forms of lawlessness is true or not, it seems like the ARMM is not winning the hearts and minds of big-time investors.

Fourth, the private sector should be more organized and assertive. BIMP-EAGA is supposed to be led by the private sector with the government just trying to provide its facilitative support, including the provision of the necessary atmosphere for our businessmen to move about.

A few parting statements may be said here. First, National Government should be more clear in its policy orientation with regards to ARMM and the Muslim problem. The clarity of its policy position is needed so that concerned sectors are adequately guided. With regards to BIMP-EAGA, it may help if the ARMM is given a more important and active role in the Growth Area's activities.

Second, on the level of ARMM, both the government and the private sectors should be more active in trying to make ARMM more livable and worthy of BIMP-EAGA investment.

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