

**The State, Market and Civil Society
in the Growth Areas of Mindanao, Philippines:
Approaches to Development Governance in the Brunei, Indonesia, Malaysia and
Philippines East ASEAN Growth Area
(BIMP-EAGA) Sub-region**

by

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**For all those who dare to see the goodness in others and
to share hope to those in need.**

Table of Contents

		Page No.
	List of Tables and Figures	vi
	Abstract	vii
	List of Acronyms	viii
	Acknowledgements	ix
Part I		
Chapter 1	Introduction	1
Chapter 2	Research Design	9
Part II		
Chapter 3	The Brunei, Indonesia, Malaysia, Philippines East Asian Growth Area (BIMP-EAGA)	13
Chapter 4	Growth Areas as Engines of Development in the Sub-region: The Growth Areas of Mindanao.	29
Chapter 5	Actors in Development Governance in Mindanao Growth Areas	39
Chapter 6	Approaches to Development Governance	49
Chapter 7	Modes of Engagement	59
Chapter 8	Dynamics of Engagement in Development Governance: Creating A Web of Development Governance in a Sub-Regional Growth Area	68
Chapter 9	Examining Dimensions of Development Governance in Sub- Regional Development in relation to Mindanao's Growth Areas	87
Part III		
Chapter 10	Summary of Findings	106
Chapter 11	Current Issues in the Governance of Development	108
Chapter 12	Conclusion	110
Chapter 13	Future Directions for Development Governance in Mindanao's Growth Areas	113
Chapter 14	Theoretical and Research Challenges to the Study of Development Governance	115
	Appendices	116
	Glossary	144
	Bibliography	145

List of Figures

Figure No.	Title	Page
1.1	Map of Sub-regional Growth Triangles in East Asia	3
3.1	Map of BIMP-EAGA	16
3.2	BIMP-EAGA 17 th Century Map	18
4.1	Map of Mindanao	30
4.2	Mindanao Growth Corridors	30
7.1	General Relational Trends Among Development Actors in Mindanao's Growth Areas	61
9.1	Major Tuna Fishing Grounds in the Pacific	94
9.2	Ethnographic Map of Mindanao A Negotiated/Participatory Model of Governance	101

List of Tables

Table No.	Title	Page
1	List of Actors in the Governance of Development in Mindanao's Growth Areas	40
2	Summary of Approaches to Development	51
3	Modes of Engagement	62

ABSTRACT

Jessica Asne Dator, 2000. *The State, Market and Civil Society in the Growth Areas of Mindanao, Philippines: Approaches to Development Governance in the Brunei, Indonesia, Malaysia and Philippines Growth Area (BIMP-EAGA) Sub-region*. A M. A. (International Development Studies) Thesis, Halifax, Canada: Dalhousie University.

This exploratory study into development governance looks into the nature of development governance in selected growth areas of Mindanao Philippines. Therein, the following key questions were asked: who are the key actors in the development of growth areas, what approach to development do they use and what modes of engagement exist between multiple actors in the governance of the development. The thesis also looks into current issues in development governance giving particular emphasis on the intersectionality of varied dimensions in the development process (i.e. environment, gender, health, security, ethnicity, religion, economy, politics). The author's main thesis is that development is conceived in different ways by different actors. Hence, approaches to and modes of engagement in development governance will, likewise, vary.

The study identified a long list of development actors in Mindanao's growth areas that span global to local, macro to micro levels of development arena. All actors suggested by governance models (i.e. the State, business and civil society) are in various levels and extent of engagement with one another as each forward their respective development agenda. The data gathered indicates a strong State presence in pursuing a neo-liberalization agenda. The national to local government's economic and social policies bear the mark of the development agenda of donor agencies which raises the issue of State sovereignty vis a vis international donor agencies. The business sector enters as a key player in infrastructure and enterprise development, investment promotion and business matching. The civil society organizations in the growth areas studied, on the other hand, have taken on the role of implementing the social agenda of donor agencies as they put forward their own development agenda which often focuses on advocacy and education rather than on basic service delivery or infrastructure development.

Development approaches advocated by different development actors are generally eclectic. There is no single theme that defines common direction for all the development initiatives in Mindanao. However, the most dominant approach is economic growth and its variations (e.g. growth with equity, redistribution with growth) followed by governance. Both are strongly supported by many State actors, whereas, the first is the predominant paradigm advocated by business actors. Participatory development, sustainable development and self-determination are among the more strongly advocated development paradigms of civil society organizations.

The drive for sub-regional, regional, and global integration for purposes of economic growth increased State and business linkages and interaction in growth areas. On the other hand, there is a weak State and civil society and even weaker business and civil society linkage. There is also a rare occurrence of State-business-civil society direct engagement in matters relating to development. Thus, there is a missing link, a gap in governance necessary for a process of critical engagement between three critical actors in governance.

LIST OF ACRONYMS

ADB	Asian Development Bank
AFTA	ASEAN Free Trade Agreement
AFP-RSBS	Armed Forces of the Philippines Retirement and Separation Benefits System
AFRIM	Alternative Forum for Research in Mindanao
AIDS	Acquired Immune Deficiency Syndrome
APEC	Asia-Pacific Economic Conference
ARD	Associates in Rural Development
ASEAN	Association of Southeast Asian Nations
AUSAID	Australian Agency for International Aid
BFAR	Bureau of Fisheries and Aquatic Resources
BIAF	Bangsamoro Islamic Armed Forces
BIMP-EAGA	Brunei, Indonesia, Malaysia, Philippines East ASEAN Growth Area
CIDA	Canadian International Development Agency
CSOs	Civil Society Organizations
DA	Department of Agriculture
DIDP	Davao Integrated Development Program
DOT	Department of Tourism
DTI	Department of Trade and Industry
EABC	East ASEAN Business Council
ELAP	Emergency Livelihood Assistance Program
FEMAS	Federation of Maranao Associations in Saudi Arabia
GEM	Growth with Equity in Mindanao
GOLD	Governance and Local Democracy Project
GTZ	German Agency for Technical Cooperation
HIV	Human Immuno-deficiency Virus
IMAG-SITEP	Infrastructure Monitoring and Advisory Group for Samal Island Tourism Estate Project
IIRO	International Islamic Relief Organization
IID	Initiatives for International Development
ILO	International Labor Organization

JICA	Japan International Cooperation Agency
KKP	Kabang Kalikasan ng Pilipinas
KMP	Kilusan ng Magbubukid ng Pilipinas
LGSP	Local Government Support Program
MDB	Mindanao Development Bank
MSU	Mindanao State University
MDFI	Maguindanaon Development Foundation, Inc. (MDFI)
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
MEDCO	Mindanao Economic Development Council
MBC	Mindanao Business Council
NEDA	National Economic Development Authority
NGO	Non-Government Organization
NIEs	Newly Industrializing Economies
ODA	Official Development Assistance
OECD	Overseas Economic Cooperation Fund
PDAP	Program for Peace and Development
PTA	Philippine Tourism Authority
PHILVIDEC	Philippine Veterans Development and Investment Corporation
PCARRD	Philippine Council for Agriculture, forestry, Natural Resources Research Development
REFORM	Resource Ecology Foundation for the Regeneration of Mindanao
SLS-CARBMCO	San Isidro, Libertad, San Remigio Comprehensive Agrarian Reform Beneficiaries Multipurpose Cooperative
SEZ	Special Economic Zone
SEARICE	Southeast Asian Regional Institute on Community Education
SOCSARGEN	South Cotabato, Sarangani, General Santos Growth Area
SPCPD	Southern Philippines Council for Peace and

	Development
SME	Small and Medium Enterprise
SZOPAD	Special Zones of Peace and Development
SOCOPA	Southern Cotabato Purse Seiners Association
SHINE	Social Health Insurance Networking and Empowerment
SHED	Social Health and Environment Development
SOMM	Senior Official's Ministerial Meeting
STD	Sexually Transmitted Disease
TACDRUP	Technical Assistance for the Development of Rural and Urban Poor
UKDFID	United Kingdom Department for International Development
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNFPA	United Nations Population Fund
UNESCO	United Nations Educational, Scientific, and Cultural Organization
USAID	United States Agency for International Development
WWF	World Wildlife Federation
WTO	World Trade Organization

PART I

Chapter 1. Introduction

A. Understanding the Rise of Regionalisms

Globalization ushered in a repositioning of political and economic power relations and led to the assumption of new identities by States and other actors (i.e. non-State) in the new international division of labor. New forms of geographically linked economic configurations (i.e. from bilateralisms to multilateralisms and new regionalisms) evolved to adapt to global changes. Moreover, new approaches to development and new roles assumed by the State, the market, and civil society emerged from the transformations within the international political economy.

The pressure for multilateralism in a post-Cold War trading system led many States to rethink approaches to development that would be viable in the era of globalization. Multilateralism works well in a global economy devoid of trade barriers and a contraction of time-space dimensions. A sudden rush of uncertainty among States and economies came with the disturbance of polarity to which many of the States and economic networks have been accustomed. States that do not have as much comparative advantage on a global plane as those with resources, capital, or technology are perceived to lose out in a multilateral system or may just lag behind economically.

The only option for many regimes was to engage in a process of economic integration, often, on a regional level.¹ According to Helge Hveem², regionalism is the "body of ideas promoting an identified geographical or social space as the regional project...it is the presence or the conscious construction of an identity that represents one specific region...and is usually associated with a policy program (goals to be achieved) and

¹ Modes of integration include preferential trading agreements and establishing free trade areas (e.g. economic zones, growth areas, growth polygons), customs unions, common markets and economic unions in an attempt to survive in a world of changing rules governing world trade in Wrobel, Paulo, A Free Trade of the Americas in 2005?, *International Affairs*, Volume 74, No. 3 (Oxford UK and MA USA: The Royal Institute of International Affairs, July 1998)

² In "Explaining the Regional Phenomenon in an Era of Globalization" in Richard Stubbs and Geoffrey Underhill (eds) *Political Economy and the Changing Global Order*, (Toronto: Oxford University Press, 2000)

strategy (means and mechanisms by which goals should be reached), and normally leads to institutional building." On the other hand, "regionalization refers to the process that actually builds concrete patterns of transaction within an identified regional space". Governments saw regionalization as a "defence against globalization and as a way of taking advantage of some of the forces set in train by the process of globalization."³

Started in the 80s, economic integration within regions became more pronounced as it proved significant in fostering trade and investment in many parts of the world; e.g. East Asia, Americas, West and Southern Africa particularly among Southern States. G-77 members call it South-South trade.

The cooperation of this nature is aiming at raising the economic development level of developing countries through realizing mutual openness within the region and between the regions, reducing barriers in developing normal trade, removing obstacles preventing capital and personnel from free movement, encouraging the free flow and optimal allocation of all essential elements for production... the South-South cooperation among developing countries in the areas of economy, technology, trade, investment and finance is an important part of international development cooperation. It has an active and promotional impact on improving and strengthening the collective and individual overall national strength of developing countries. ⁴

For those who opted for regionalist trends, however, another level of convergence through sub-regional groupings developed within regional arrangements. "It reflects a tendency to emphasize sub-regions within nation-States and to give priority to building a network of transactions and collaboration across national boundaries between such sub-regions...it is a reaction...to globalization or to the regional projects of the State system"⁵. Shaw and Nyang'oro argue that these forms of meso-level inter-State regionalisms are actually responses to the evolving international divisions of labor and power.⁶

Geographical proximity is of essence in such agglomerations. In South Africa, for instance, there were the South African Development Community (SADC) and the Economic Community of West African States (ECOWAS). Both had member countries proximate to one another. In another part of the world, in East Asia, such sub-regional

³ Stubbs, "Regionalization and Globalization" in Stubbs and Underhill (eds.), 2000

⁴ Statement by Ambassador Chen Shiqiu, Head of the Chinese Delegation at G-77 High-Level Conference On Regional and Sub-regional Economic Cooperation Bali, Indonesia, December 1998

⁵ Hveem, "Explaining the Regional Phenomenon" in Stubbs and Underhill (eds), 2000.

⁶ Shaw and Nyang'oro, "African Renaissance in the New Millenium" in Ibid., p.279.

arrangements proliferated over the years. The economic success of China and the newly industrializing economies (NIEs) influenced and were influenced by sub-regional agglomerations as a mode of economic integration. The primary vehicle of sub-regional growth and development is cross-border linkages among proximate territories belonging to various States. Ken-Ichi Ohmae refers to such linkages as triad growth poles or what are now known as growth triangles/polygons.⁷

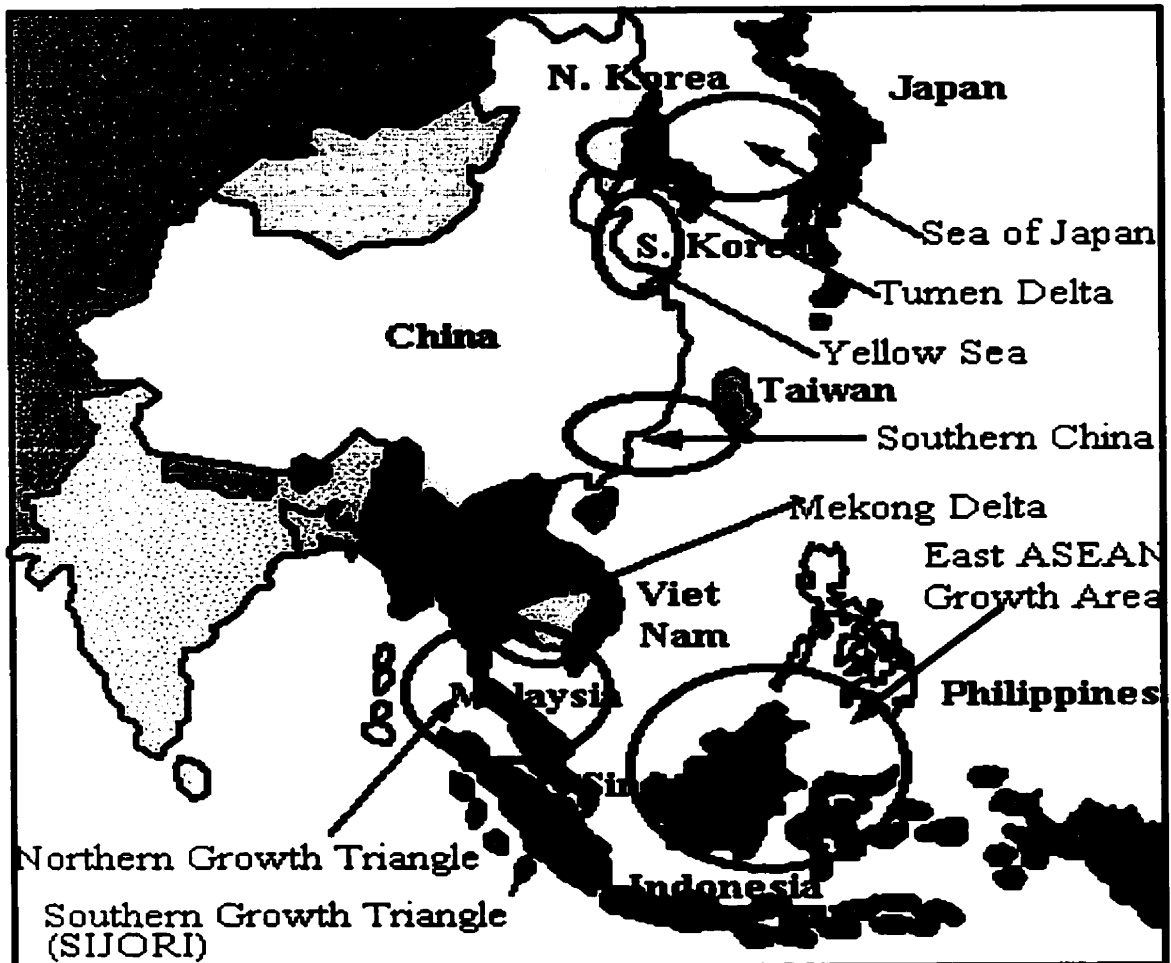


Figure 1.1. Map of Sub-regional Growth Triangles in East Asia⁸

There are nodal points in each of these sub-regional arrangements where economic growth enhancing activities (i.e. industrialization, tourism) are located. The consolidation

⁷ Ngai-Ling Sum, Cross Border Sub-Regionalism in East Asia: Some Implications for the German Polish Border Region, *Emergo*, (1998) p.76.

⁸ www.itri.loyola.edu

of activities is deemed necessary to facilitate time and space compression and speed up processes of economic production. Thus, common to these sub-regional growth areas are the construction of growth cities where State-driven, capital-intensive economic activities are based or encouraged. In most cases, development in these growth areas are measured in terms of how much development, however defined, happens in these growth cities.

B. Governance In A Changing Political Economy

Attempts at economic integration have not only created opportunities for geographically linked economic restructuring and opportunities but, also for the restructuring of relations of governance at the regional, sub-regional, national and local levels. Sub-regional projects have reordered the way by which economic development is pursued by different States. As this happens, the experience of space and time which used to be defined by borders has changed radically, an experience which Chen and Kwan⁹ identify as a borderless economy. But, beyond just economics, the transformation of borders into open spaces has changed the way political space is experienced as well. An evolution of political space is also accompanied by changes in the political economy, social identity of the civil society, and the political identity of the nation-State.¹⁰

As economies and lives are increasingly transformed in the process, more and more stakeholders (i.e. from the business and civil society sectors) engage with State actors to govern processes of restructuring that accompany economic integration. Why is this so? Hveem¹¹ contends that regionalisms (which includes sub-regionalism) are a challenge to the efficiency of globalization in pursuing welfare creation and ensuring distributional outcomes. Hence, the effect would be layered governance¹² in what is

⁹ Edward K.Y. Chen and C.H. Kwan (eds), *Asia's Borderless Economy: The Emergence of Sub-regional Zones* (St. Leonards: Allen and Unwin, 1997)

¹⁰ Rosow, Inayatullah, and Rupert, 1994

¹¹ "Explaining the Regional Phenomenon" in Stubbs and Underhill (eds), 2000.

¹² Layered governance, as Hveem would argue, is a necessity where complexity and variety of issues arise. From a rationalist perspective governance tasks have to be referred to a lower level of governance. However, Hveem perceives that private agency and bottom-up initiatives are potent forces in this layered governance but apart from top-bottom initiatives. There is a possibility for a convergence in this layered governance, however, it is also a possibility that it can be a vehicle to strengthen one group's relative power at the expense of another.

perceived to be a response to the weakening of the nation-State in terms of its efficiency in a globalizing economy.

Processes of economic restructuring are accompanied by socio-cultural, security, gender and ecological transformations. Thus, alongside State-driven initiatives of growth corridors and triangles, new regionalisms and sub-regionalisms began emerging in the form of “economies and ecologies, civil societies and media to new security threats, peace-building responses, reconstruction and redirection”.¹³ Many such regionalisms or sub-regionalisms are attempts to steer the course of ongoing processes to benefit the interests or agendas of particular actors. While, often, economic gain is the focus of such agendas, new regionalisms and sub-regionalisms have evolved in pursuit not only of economic interests, but, also social, political, security and gender agendas as well to name a few.

As transborder transformations occur and the experience of space and time changes, the manner by which political actors interact in any plane likewise evolves. In this particular study, it is the realm of governance that is of utmost concern. How do political actors engage in order to govern a borderless political economic space? Marchand, Bøås, and Shaw¹⁴ write that given the diversity in outcomes of global restructuring processes, it is imperative that the changing political economy should not be seen from a lens of uniformity. Rather, there are a multitude of processes either competing or cooperating which are guided by various visions, values and ideas. Therefore, there are multiple projects within the evolving political economy that are not exclusively initiated by State actors (i.e. income-generating, resource conservation and health projects initiated by non-government organizations). Thus, inquiries in the likes of regional or sub-regional arrangements must look beyond the formal relational dynamics between the State, firms and communities and also examine the intersection between the same set of actors in informal regional or sub-regional arrangements.

¹³ Shaw, paper on New Regionalisms in Africa in Comparative Perspective: renaissance, realisms and/or regressions in the new millennium? (1999)

¹⁴ in The Political Economy of New Regionalisms, *Third World Quarterly*, Volume 20, No.5, (1999), p.904.

C. Analyzing Sub-regional Governance

Sub-regional endeavors bring into the discourse the plurification of governance.¹⁵ Ngai-ling Sum¹⁶ suggests that where economic endeavors go beyond borders, a mode of geo-governance is created: “A mode and structure of coordination that is mediated by a multi-layered network of social relations”. Geo-governance, as Sum suggests, “cuts across global-regional-national” dimensions, and to add from Jeffrey Roy’s¹⁷ analysis, sub-national-regional and sub-national-local dimensions. Sum further argues that within the various layers of networking, coordination, the division of labor/knowledge, condensation of social relations are among the focal points of analyses. Beyond the networking dimension, however, are also time-space, private-public, material-discursive dimensions of geo-governance.

Therefore, a need exists to recognize that the intersectionality¹⁸ of concerns/goals/visions goes beyond the economic (i.e. production and exchange of goods and services). The intersectionality discourse looks into race, ethnicity, gender, religion, ecology and even security as variables that intersect contemporarily and historically with State policies and the international political economy. It takes into account how particular interests may become enmeshed in the universal gamut of the political economy and how such interests transform social relations and influence policies and vice versa. Bringing intersectionality into the analysis of sub-regionalization and sub-regionalism enables a deeper understanding of why tensions arise and, perhaps, paves a way as to how they could be mediated.

D. Examining Development Governance in Sub-regional Development

Sub-regional arrangements have become a potent tool for development in the likes of East Asia. Too often, however, much of the literature on the East Asian miracle merely examines the economic dimension of the development process and how different actors

¹⁵ Roy, Jeffrey, *The Emerging Nexus of Transnational Governance and Subnational States: Shifting Templates of International Theory*, *International Insights*, Volume 13 (1997).

¹⁶ 1998

¹⁷ Op. Cit.

¹⁸ Williams, Fiona, *Reflections on the Intersections of Social Relations in the New Political Economy*, *Studies in Political Economy* 55, (1998).

in governance (i.e. State and business actors in the case of South China) dynamically engage to facilitate economic growth.¹⁹

This thesis argues, however, that there are parallel development processes in sub-regional development. Some are State-initiated, others market sector driven while others are mobilized by civil society actors. Modes of and strategies for development (i.e. neo-liberal development, human development, human security, sustainable development to name a few) vary from one actor to another. Approaches and indicators vary according to schools of thought adhered to. So, when one speaks of an area of study such as development governance, there is a need to identify approaches to development referred to as well as modes of governance.

What is interesting is that the objects of development governance are often immobile and unsegmented. Hence, State and non-State actors may all have the same locality, population, policy, or public space and/or arena of development governance. Each of these actors has their particular agenda for development that may either facilitate a convergence of development initiatives or allow for divergence. Multiple development interests generate multiple agendas that are played out in a single arena (i.e. a growth area, a city, a community, a resource, a section of the ocean).

Thus, we can never speak of governance in a generic sense as it applies to development. While much literature agrees on the notion that governance is about the increased number of participants in areas of public concern (i.e. development processes), the mode and extent of engagement in governance vary according to the object of governance. And so we read of global governance, security governance, peacekeeping governance, corporate governance, ocean governance and island governance to give focus on the object/s of governance. There are, likewise, sub-objects of governance: policies, implementation procedures, enforcement mechanisms among others.

¹⁹ See Edward K.Y. Chen and C.H. Kwan (eds), Asia's Borderless Economy: The Emergence of Sub-regional zones, (St. Leonards: Allen and Unwin: 1997); Ngai-Ling Sum, Cross Border Sub-Regionalism in East Asia: Some Implications for the German-Polish Border Region, *Emergo*, Winter 1998 and Tipton, Frank, The Rise of Asia: Economics, Society and Politics in Contemporary Asia, (Honolulu: University of Hawaii Press, 1998).

Furthermore, there are also nuances in the manner by which engagement between and among actors, in governance unfold.²⁸ This thesis argues that governance can either be cooperative, complementary, collaborative, participatory, integrative, conflicting, etc. Governance does not only take place when all State and non-State actors agree to pursue common ends or sit at the negotiating table. It is a process that can be initiated by one sector to influence an area of public concern (i.e. a corporation's concern attempt to influence a mining policy; NGO's legislative advocacy; the government's strategic planning). It is important to note that without necessarily seeking to involve other sectors/actors in the process, engagement among actors in governance happens. Each actor/stakeholder will most likely engage in governance in the manner they would see most fit and efficient in terms of pursuing their own particular interests. Engagement among actors in governance is a multi-level, multi-dimensional and intersectional process: interaction occurs across levels, objects or nexus. Hence, for instance, local-national engagement is possible on human security-ecological dimensions.

E. Exploring Development Governance in a Sub-regional Growth Area

This thesis is an attempt at trying to make sense of the way development is governed in growth areas of a sub-region such as the BIMP-EAGA. Using a multi-dimensional and intersectional analysis of development governance, the author explores the complexity of governing and facilitating development and the need for a more embedded and participative mode of governance.

The following chapter in Part I discusses the research design used to facilitate the acquisition of data in order to realize research objectives. Part II of the thesis unfolds with different ways of looking at the Brunei, Indonesia, Malaysia and the Philippines East ASEAN Growth Area (BIMP-EAGA) as a sub-region. The succeeding chapters focus on actors in, processes of and issues in development governance in the growth areas of Mindanao, Philippines --- a component unit of BIMP-EAGA.

²⁸ See Jennifer Coston,. A Model and Typology of Government-NGO Relationships, *Nonprofit and Voluntary Sector Quarterly*, volume 27, no. 3 (1998).

Chapter 2. Research Design

A. Statement of the Problem

The study seeks to focus on approaches to and issues in development governance in BIMP-EAGA growth areas in Mindanao, Philippines. Thus, a main question is asked: what approach/approaches to development governance is/are advocated and employed by particular actors in the Mindanao growth areas?

B. Objectives of the Study

In a broader sense, the thesis attempts to identify approaches to and issues in development governance BIMP-EAGA initiated growth areas in Mindanao. Specifically, the research sought

1. to determine the nature of development approaches in the areas of study. Therein, the following key questions are asked: who are the key actors in the governance of the Mindanao growth areas? What are their respective development discourses/agenda? And what are their respective approaches to development?
2. to identify and define modes of engagement between multiple actors in the governance of the development and to determine their governance strategies . A question is, thus, asked: how do they engage with other actors in the governance of development in the Mindanao growth areas? And finally,
3. to determine current issues in the governance of development in growth areas with particular emphasis on the intersectionality of varied dimensions in the development process (i.e. environment, gender, health, security, ethnicity, religion, economy, politics).

The author's main thesis is that development is conceived in different ways by different actors. Hence, approaches to and modes of engagement in development governance will, likewise, vary. Along with this thesis the study holds the following assumptions:

- There is no generic form of development as there is no generic form of governance.
- Development is, in itself, an object of governance.
- There are multiple actors in governance.
- It is possible that actors in governance move in/inhabit the same immobile political and economic geographic spaces (e.g. growth areas)
- Mediating factors (levels and dimensions of governance and intersecting concerns) engender what Cox¹ calls "the configuration of forces (material capabilities, ideas, and institutions) which do not determine actions but nevertheless create opportunities and impose constraints".
- Governance, in the context of growth areas in sub-regions, is linked with geopolitical and geo-economic dynamics.
- In the context of geo-governance, actors at various levels of political and economic configurations (i.e. global, regional, sub-regional, national and local) "have to be seen in relation to each other"² and in relation to the "spaces" (i.e. ecological, gendered, ethnic, class) they move about.
- No longer are geo-political and geo-economic spaces bounded, exclusive domain/s of the local, the national, the sub-regional and the global. In other words, not only are they intertwined but the spatial bubble of particular domains have been rendered permeable. The dynamics between and among actors in governance "may at once be local and global".³

C. Methodology

This qualitative research applied content analysis⁴ to the materials drawn from an ISLE (Island Sustainability Livelihood and Equity⁵)-funded exploratory research, conducted by the same author, on geo-governance and human security issues in BIMP-EAGA initiated projects in Mindanao, Philippines for the purpose of developing a thesis proposal. Hence,

¹ Cox, Robert W., Civil society at the turn of the millennium: prospects for an alternative world order. *Review of International Studies*. Vol. 25, (1999), pp.3-28

² Roberts, Susan, Geo-governance in Trade and Finance and Political Geographies of Dissent in Andrew Herod, Gearoid O. Tuathail and Susan M. Roberts, Unruly World? Globalization, Governance and Geography, (London and New York: Routledge, 1998) pp.116-134.

³ Ibid.

⁴ As a research method, content analysis allows the examination of the content of a particular document or other forms of data using a specified framework of analysis pertinent to the research being conducted.

secondary data are the primary sources of information for this research. The data of concern are on development activities/initiatives of the State (e.g. the BIMP-EAGA working groups, Philippines' national and Mindanao's local government units, and development agencies such as CIDA), the business sector (e.g. the East Asian Business Council, the Mindanao Business Council, the Growth with Equity Mindanao program), and the civil society (e.g. Regional People's Forum and the Mindanao-Palawan People's Forum on the BIMP-EAGA). The materials analyzed are the following: (1) documents (i.e. strategic plans, conference reports, researches, newsletters, publications, brochures, official reports, newspapers, maps), (2) video tapes of television programs, compact disks, and (3) postings on web pages on the development activities of the State, the business sector and of the members of the civil society related to BIMP-EAGA initiatives on Mindanao.

The materials analyzed have been provided by key sources (e.g. heads of offices like the regional director for the Department of Tourism, the director of an NGO) during the preliminary research conducted⁶. Letters were faxed or sent by e-mail to the key respondents and responses by target sources of information were sent by mail, e-mail or through phone calls.

Since this study drew materials from an earlier exploratory research undertaking, the researcher communicated to all the data sources of the intent to use the said materials for the study of development governance in the Mindanao, Philippines growth areas. The researcher communicated with key sources by fax, e-mail or phone (whichever was most possible) in order to clarify certain aspects of the documents and other materials gathered.

D. Ethical Considerations

Informed consent is most crucial to this research. In the preliminary exploratory research mentioned, the researcher informed the target respondents of the purpose of

⁵ ISLE is a collaborative and interdisciplinary exchange between the faculty of Dalhousie University of Canada, University of the Philippines in the Visayas, Hassanudin University of Indonesia, and the University of West Indies. The said program is funded by CIDA.

⁶ See Appendix, under the heading "Schedule of Research Activities" for the list of offices visited and key persons met who provided the researcher with the data used for this study.

the undertaking. Their consent was also requested for the use of the materials that they have given to the researcher. Another letter of information has been sent to the sources of the data gathered informing them of the purpose and direction of the research and how the materials they have provided the research proponent are being used. Their consent was also solicited for the use of the data gathered for this particular research. A consent letter has been requested from the sources of information to comply with the ethics requirements.

Confidentiality is being guaranteed in cases where it has been requested. This particularly applies to the identity of contact persons of the Moro Islamic Liberation Front, a rebel movement in Mindanao, Philippines who provided the researcher with some of the movement's published materials, web site and e-mail addresses.

E. Scope and Limitation of the Thesis

The nature of this thesis is basically exploratory. It is an attempt to understand governance as it relates to development in growth areas treated, in this study, as components of a broader sub-region. The thesis briefly presents the link between the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area and the growth areas initiated in the Mindanao, Philippines. The primary focus of this thesis is the mode of development governance in the growth areas of Mindanao, namely, General Santos City, Tawi-Tawi, the Island Garden City of Samal.

Since this paper is constrained by time, the researcher was not able to exhaustively include all development actors in Mindanao's growth areas in the process of analysis. Moreover, the ability to access information from informal networks of actors involved in the development process encountered methodological constraints. Added to these, time constraints only allowed for the analyses of the economic, ethnicity, ecological, gender, and security dimensions of development governance.

PART II

Chapter 3. The Brunei, Indonesia, Malaysia, and Philippines East ASEAN Growth Area (BIMP-EAGA)

The establishment of sub-regional economic zones has become a significant development strategy in a globalizing economy. It had been argued by Marianne Marchand, Morten Bøås and Timothy Shaw¹ that globalization is "a process of restructuring of the political economy at all levels". It is in this context that sub-regional development is seen as a dimension/a level of globalization² just as regionalization is perceived as an "important dimension of global restructuring with an explicit spatial articulation".³ Following the above argument sub-regionalization is, thus, woven into the process of global restructuring. "It involves a complex array of processes which reorder the relationship between different spatial scales"⁴ (e.g., global, regional, sub-regional, local, national, and even national regions and sub-regions).⁵

In an attempt to ably participate and compete in the process of globalization, economic cooperation among geographically contiguous states became a viable vehicle for development.⁶ Economic complementation⁷ and joint development of common resources⁸ are the primary driving forces for the rise of sub-regional arrangements otherwise known as growth triangles or polygons. According to the theme paper of the Asian Development Bank⁹, "growth triangles are transitional economic zones spread over well-defined and proximate geographical areas and usually involving three or more

¹ 1999 in *The Political Economy New Regionalisms, Third World Quarterly, Volume 20. No. 5. P. 898.*

² In *Ibid.*, p.899, globalization is characterized by the "emergence of a global scene of accumulation, consumption, distribution and production, and equally important, differentiation."

³ *Ibid.*, p.900.

⁴ Ngai Ling Sum, , Cross Border Sub-regionalism in East Asia: Some Implications for the German-Polish Border Region, *EMERGO*, Winter 1998. p.76

⁵ Andrew Herod, Gearoid O Tuathail, Susan Roberts, 1998. *Negotiating Unruly Problematics in Unruly World? Globalization, Governance and Geography*, London and New York: Routledge, p.19.

⁶ Cahya Maka Sarawak Berhad, *Sub-regional Economic Zone*, www.cmsb.com.my/sponsor/maf/comper/six.htm , 17 September 1999.

⁷ *Complementation is defined as the exchange of good and services resulting from differences in labor costs, skills and other attributes. For instance, Mindanao, being a corn surplus area, can trade with Malaysia which is a corn deficit area. Definition taken from 1998, Globalization and Regionalization: A baseline study on BIMP-EAGA, Mindanao Focus Volume 15, No. 2, p.7.*

⁸ Cahya Maka Sarawak Berhad, 1999.

⁹ ADB Integrative Report on BIMP-EAGA, December 1996 in *Alternative Forum for Research in Mindanao*, 1998, p.6.

countries; a localized arrangement that usually involves only portions of countries; and is largely market and private sector driven". The work of Chen and Kwan¹⁰ attributes the emergence of economic zones in Asia to the following:

1. geographical proximity;
2. high complementarity in economic structures among participation countries;
3. outward-looking development strategies in the participating countries;
4. the end of the Cold War and the acceleration of economic reform and open-door policies in the socialist countries; and
5. the decentralization of political power¹¹

There are eight sub-regional economic zones or growth triangles/polygons in East Asia alone. (See Figure 1.1 for Map of Sub-regional Growth Polygons in East Asia). The following are the growth polygons: the Northeast Asia Economic Zone¹² (also known as the Japan Sea rim Economic Zone); the Yellow Sea Rim Economic Zone¹³; The South China Economic Zone¹⁴; the Cross-Straits Economic Zone¹⁵; the Greater Mekong Subregion (or the Indochina Economic Zone)¹⁶; the Singapore-Johor-Riau (SIJORI) Growth Triangle¹⁷; the Indonesia-Malaysia-Thailand Growth Triangle¹⁸, and the Brunei Darrusalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area. All of which have emerged as geographically proximate, economic vehicles for development and have become significant configurations in the process of global restructuring. The SIJORI and IMT growth triangles are among the most recent sub-regional arrangements that inspired the idea of a BIMP-EAGA.

¹⁰ 1997. *Asia's Economy: The Emergence of Sub-regional Zones*, St. Leonards: Allen and Unwin.

¹¹ *Ibid.*, p.2.

¹² see Naturally Occurring Regional Economic Zones in www.jetro.go.jp. The Japan Sea Rim growth polygon involves Japan (Japan Sea side, Russian Far East, Mongolia, Republic of Korea, North Korea, and China (Jilin, Heilongjiang, and Liaoning provinces)

¹³ *Ibid.*, This economic zone includes China (Liaoning and Shandong provinces), part of Northeast China, and west coast of the Republic of Korea.

¹⁴ *Ibid.*, The South China Economic Zone is composed of China (Fujian and Guangdong provinces), Hong Kong, and Taiwan.

¹⁵ *Ibid.*, Established in the early 1980s, this economic zone involves China (Fujian) and Taiwan.

¹⁶ *Ibid.*, Industrial activity in this sub-region is centered on the complimentary relationship between Thailand, Cambodia, Laos, Myanmar and Vietnam.

¹⁷ *Ibid.*, This growth triangle weaves together the economies of Malaysia, Singapore, and Indonesia.

¹⁸ *Ibid.*, This economic cooperation is between Indonesia, Malaysia and Thailand.

The inception of BIMP-EAGA was preceded by regional arrangements in ASEAN that date back in 1967 and the trading arrangements in the region that followed in 1987, the ASEAN Preferential Trading Arrangement, and 1992, the ASEAN Free Trade Agreement. The region followed some trend of early industrialization in the 60s and 70s, government strategic intervention in the 80s, economic liberalization and sub-regional trading arrangements throughout the 90s.¹⁹ In 1992, ASEAN signed the Singapore Declaration encouraging economic cooperation among ASEAN member states²⁰. This intent for economic cooperation may have contributed to the rise of BIMP-EAGA and the economic restructuring processes that followed.

Marchand, Bøås, and Shaw, however, point out that non-material dimensions such as ideas and identities are part of the global restructuring process of globalism.²¹ Thus, global restructuring is not limited to economic restructuring alone. Distinct from globalization, globalism is to be understood as "a particular actor's political project in pursuit of a globalization strategy".²² The State, market, civil society groups or any other sector involved in processes of restructuring have their respective sub-regional agenda of development or sub-regionalism to pursue. The agenda/narrative advocated by each political actor is carried in the dynamics of political engagement and are part of a transforming process that impact on ideas, identities, relationships as well as it does on economics.

BIMP-EAGA goes beyond just sub-regional economic restructuring that is pursued by states. To speak of BIMP-EAGA is not only making reference to an economic zone but also to a geographic, political and cultural zone as well that weaves not only economies but also culture and ethnicities, politics, environment, security, "ideas and identities"²³ in a sub-region engaged in a restructuring process. As a dimension in the entire process of global restructuring sub-regional development also "transforms/influences not only the economic space of society but also its political and social spaces through increased

¹⁹ Rugayah Mohamed, 1998. Prospects for Cooperation and Avenues for Competition in Southeast Asia, *East ASEAN Business*, General Santos City: MIND, p.5

²⁰ See www.eabc.org

²¹ Marchand, Boas, and Shaw 1999 in *The Political Economy New Regionalisms*, *Third World Quarterly*, Volume 20. No. 5. p. 899

²² *Ibid.*

²³ *Ibid.*

functional integration".²⁴ While the processes and institutionalization initially identified in sub-regionalization are economic in context, a critical analysis of sub-regionalization allows other intersecting dimensions to surface. Hence, BIMP-EAGA is not only a definable geographic area used for economic ends. Rather, as Stubbs²⁵ put it, sub-regionalism also makes reference to a definable geographic area with common historical experiences and problems; with developed socio-cultural, political and/or economic linkages that distinguish them from the rest of the global community; and with developed organizations to maximize crucial aspects of collective affairs.

1. Geographically Integrated Sub-region

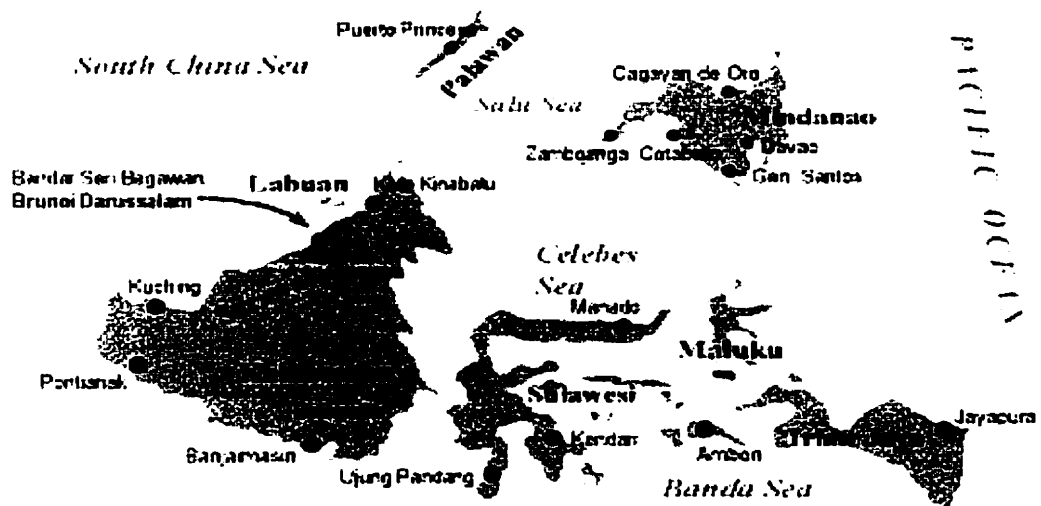


Figure 3.1. Map of BIMP-EAGA²⁶

Geographically, BIMP-EAGA as a sub-region refers to proximate territories/islands in Southeast Asia. The BIMP-EAGA (or simply EAGA) portfolio describes the growth area as *Asia's spatially largest economic growth area, which constitutes the entire sultanate of Brunei Darussalam; 10 provinces in the Indonesian islands of Kalimantan, Sulawesi, Maluku, and Irian Jaya; Sabah, Sarawak, and Labuan in Malaysia; and Mindanao and Palawan in the Philippines.*²⁷ The territorial contiguity of islands in the

²⁴ Marchand, Boás, Shaw, 1999, *The Political Economy of New Regionalisms*, *Third World Quarterly*, Volume 20, No.5., p.898.

²⁵ 2000, p.232-233.

²⁶ www.brunet.bn

²⁷ www.brunet.bn

sub-region has been a subject of territorial land and water claims by member States of the BIMP-EAGA.

2. Culturally and Historically-Linked Sub-region

These territories/islands, likewise, constitute a historically and culturally linked sub-region. The histories of the islands in BIMP-EAGA intersected before Western colonization hit the shores of Southeast Asia. Trading arrangements by islands in the sub-region with Arab, Indian and Chinese merchants have been documented. The trade brought Arab missionaries to introduce Islam and inspire the rise of Sultanates as early as 1310. The Sultanate that once ruled the territories in the adjacent islands of Malaysia, Indonesia and the Philippines were either housed in Southern Philippines (e.g. islands of the Sulu archipelago) or Borneo. The *datus* (local chiefs) of Mindanao and earliest settlers of the southern tip of the Sulu archipelago in the Philippines were said to have originated from either Indonesia or Malaysia.

Five hundred years back, "maritime trade with Borneo, the Moluccas, Celebes and China flourished"²⁸. A 17th century map of the sub-region²⁹ proves a case to point. Mindanao, Palawan, Sabah, Sarawak, Kalimantan (Central, West, and East), Sulawesi, and Maluku are historically woven together by maritime trade that dates back over 500 years. The people in the islands of the Sulu archipelago (now part of Mindanao), Borneo, Moluccas, Celebes and China³⁰ enjoyed a vibrant and productive trade and cultural exchange prior to the era of Western colonization (i.e. the Netherlands created the East Indies, the British had Malaya and Spain created Filipinas³¹). As new boundaries were defined between the islands, the exchange of goods, services and interaction became more constrained. This, however, did not deter the people from using their old trading routes and pursuing the trading activities they have grown

²⁸ Danguilan-Vitug, Marites and Yabes, Criselda, 1998 Jalan-jalan: A journey through EAGA, Pasig City: Anvil Publishing, p.2.. Also see Fuentes, Winston, Negotiating an Agenda for Peace and Self-Rule in Moroland, *MFOCUS*, No. 4, 1998.

²⁹ The map was discovered in the archives by Paul Dominguez who is the former Presidential Adviser to Mindanao and Chairperson of the Mindanao Economic Development Council (MEDCO). The map (a copy of which is found in the MEDCO office) is now being used in BIMP-EAGA orientation to highlight historical and cultural affinities in the sub-region.

³⁰ Danguilan-Vitug, Marites and Yabes, Criselda, 1998 Jalan-jalan: A journey through EAGA, Pasig City: Anvil Publishing, p.2.

³¹ *Ibid.*, p.4.

accustomed to whenever the newly imposed borders are left unguarded. Thus, it was not unusual to hear of Filipinos making frequent visits to Sabah or of Indonesian and Malaysian goods finding their way into the Barter Trade markets of southern Philippines despite the absence of formal trade agreements. For instance, "many Malaysian products can be found in Tawi-Tawi, Philippines, from rice, canned fish, and processed food to toothpaste, clothes and Duralex glassware. Soft drinks in cans are common, all bought from Sabah. By their reckoning, residents say it is cheaper to buy goods from Sabah than from Manila or Zamboanga, Philippines".³² Furthermore, the people of the sub-region speak languages of a common Malay origin and many of the ethnic groups in the sub-region share a common religion, *Islam*. Food and clothing culture are shared as well and traditional architecture manifest common themes.

Despite the persistence of informal trade relations that have sustained cultural bonds within the sub-region, the barriers erected by Western colonial rule and the birth of bordered nation-states have greatly hindered people's mobility. As a consequence, affected the cultural and historical links among the people. BIMP-EAGA now provides another opportunity for "peoples of the same race separated by the artificial boundaries drawn by colonizers"³³ to once again renew and reinforce their cultural and historical ties.



Figure 3.2. BIMP-EAGA 17th Century Map³⁴

³² Ibid., p. 132

³³ Ibid., p.5

³⁴ MEDCO, 1999, Briefing Papers on BIMP-EAGA

3. The BIMP-EAGA as an Ecological Domain

When forest fires in Kalimantan and Sumatra in Indonesia raged, Malaysia, Brunei, southern Philippines were also engulfed in thick smoke. So proximate are the sub-region's islands that not only are resources shared but ecological disasters as well. Logging and clearing for palm oil plantation ventures, that were said to have caused the fires, were not exclusively owned by Indonesians. Malaysian, Singaporean, and even Filipino human resource and economic connections were also considered as participants in the deforestation of the Indonesian forests.³⁵

It is rather difficult not to see the sub-region as ecologically distinct and separate. For instance the Sulu and Celebes Seas border territories in southern Philippines, northeastern Borneo, and northern Sulawesi. The seas are breeding grounds and habitats of species of fish, sea turtles, and sea mammals --- many of which are endangered by harmful fishing practices such as cyanide fishing and traditional livelihoods (e.g. marketing of sea turtle eggs³⁶). Furthermore, the livelihood of fishing engaged in by the coastal communities of the sub-region is pegged on the productivity of the ocean resources. Tuna, for instance, is a primary income earner for areas in Southern Philippines and Indonesia. However, the migratory nature of the fish warrants a joint ecological and fisheries program in the sub-region if sustainability in one of most relied upon livelihoods is to be guaranteed.

4. Sub-regional Economic Zone

As an engine for growth, BIMP-EAGA is an attempt at economic complementation and cooperation. This convergence among states to reduce barriers and aim to develop economies of scale³⁷ is imperative in sub-regional arrangements. According to Gillis et.

³⁵ Danguilen-Vitug and Yabes, 1998, p.93-95.

³⁶ See Turtle Island Heritage Protected Area, www.oneocean.org/ambassadors/track_a_turtle/tihpa/pti.html, 1999, World Wildlife Federation. www.wwf-phil.com.ph/home/htm, 1999 and Kabang Kalikasan ng Pilipinas www.philngo.com/wwfi.htm, 1999

³⁷ Daniel Drache in Stuubs and Underhill, 2000, p.186.

al.,³⁸the size of the home market relative to expansion in industries ought to be considered in economies of scale. Thus, regional arrangements like ASEAN have agreed to venture into complementation where "large-scale infant industries are allocated to member countries. Then, each member can benefit from, while each shares the cost of starting industries"³⁹. Until, the first quarter of 1990s, the complementation process in ASEAN never got off the ground. The idea was, however, resurrected when the rise of sub-regional growth polygons became an economic phenomenon. In 1991 SIJORI became operational and IMT followed a year after. In 1992, the ASEAN signed the Singapore Declaration committing to the intensification of economic cooperation in the region.⁴⁰ The Declaration may have been a strong influence to the rate at which sub-regional agglomerations were constituted in Southeast Asia. It is to be understood, then, that BIMP-EAGA is not a development initiative that has risen apart from the ongoing development and security trends in the region.

In 1992, then-President Fidel V. Ramos of the Philippines raised the idea of an ASEAN (Association of Southeast Asian Nations) sub-region that would increase cross-border trade and investment during the 25th anniversary of Sultan of Brunei's accession to the throne⁴¹. In the year that followed, Malaysia sent trade missions to the Philippines and the Philippine president embarked on economic diplomatic missions⁴² to Indonesia and Malaysia. In October 1993, the concept of EAGA was discussed during the ASEAN Economic Minister's Meeting in Singapore and in November of that same year Sultan Bolkuh of Brunei Darussalam confirmed the participation of his state in EAGA.⁴³ Thus, BIMP-EAGA, the economic zone/growth polygon was constituted.

Formal border economic arrangements, however, have long been preceded by sub-regionalization in the informal economy through trading arrangements between Moro

³⁸ Malcolm Gillis, Dwight Perkins, Michael Roemer, Donald Snodgrass, 1992. Economics of Development (Third Edition), New York and London: W.W. Norton and Company), p.481.

³⁹ Ibid.

⁴⁰ See www.eabc.org and Sub-regional Economic Zones, www.cmsb.com.my/sponsor/maf/comper/six.htm , 22 July 1996.

⁴¹ Danguilan-Vitug, Marites and Yades, Criselda, 1998, p.12; Alternative Forum for Research in Mindanao, 1998, p. 9.

⁴² Economic diplomacy was an official strategy for development used by the Ramos Administration under the Medium Term Philippine Development Plan 1992-1998, otherwise known as Philippine 2000. The strategy called for diplomatic visits to other countries for the purpose of drawing potential investors into the country.

⁴³ Alternative Forum for Research in Mindanao, 1998, p.9.;

traders with merchants from Sabah, Borneo and Indonesia. The earliest recorded trade in the sub-region was dated 10th century. This was when the Sulu archipelago became a trading hub for intra-regional bulk trade among Arab, Thai, Indonesian, Indian, and Chinese traders.⁴⁴ Furthermore, according to accounts of the East ASEAN Business Council (EABC)⁴⁵, long before ASEAN conceived of BIMP-EAGA, there had already been cross-border initiatives among the business sectors of the sub-region. As early as 1977, members of the Davao, Philippines Chamber of Commerce commenced business trips to help initiate provincial level linkages between islands in the sub-region and to facilitate intra-regional commerce. Air links between Davao, Philippines and Manado, Indonesia preempted the formal constitution of EAGA in 1991 when an Indonesian airline, *Bouraq*, chose to ply the route. Even before BIMP-EAGA, Malaysian companies had already set up business in industrial parks of Indonesia. Malaysian and Filipino investors were already involved in joint ventures with Indonesians. Thus, it took approximately fourteen years after the idea of an EAGA was first floated by the business sector before it became a reality for the member nation-states.⁴⁶ It is said that the formal establishment of the sub-region was essentially a private sector initiative with the government in an attempt to facilitate business⁴⁷ and to intensify economic cooperation in trade, investment and tourism⁴⁸.

The people of the southernmost islands of the Philippines, Sabah, and Indonesia have, however, been sharing their natural resources and labour even before the 70s; in fact, through decades and centuries. For instance, timber has been delivered by *kumpit* (dingy boat) in Labuan, Malaysia from the islands of Palawan, Basilan, and Tawi-Tawi of the Philippines since the turn of the century.⁴⁹ Filipino managers, engineers, chemists, and geologists have worked for decades in mining companies of East Kalimantan in Indonesia while Philippine logging companies have entered into partnerships with

⁴⁴ Winston Jay Fuentes, 1998. Negotiating an Agenda for Peace and Self-Rule in Moroland, *Mindanao Focus*, No.4.

⁴⁵ EABC is the sub-regional business council recognized by the ASEAN as the front-runner in BIMP-EAGA in initiating cross-border business matching and business arrangements. EABC is now led by Paul Dominquez, then presidential adviser for Mindanao, Philippines and chairperson of the Mindanao Economic Development Council and a key person in BIMP-EAGA initiatives. See appendix for more on EABC.

⁴⁶ Marites Danguilen-Vitug and Criselda Yabes, 1998 Jalan-jalan: A Journey through EAGA. ANVIL Publishing Inc., pp 6-7.

⁴⁷ Cahya Maka Sarawak Berhad, 1999.

⁴⁸ Alternative Forum for Research in Mindanao, 1998, p. 7.

⁴⁹ Danguilen-Vitug and Yabes, p.61.

Indonesian firms.⁵⁰ Joint ventures in tuna canning and desiccated coconut have been ongoing between Indonesian and Filipino firms in Bitung, North Sulawesi long before EAGA was even conceived.⁵¹ It is more interesting to note, furthermore, that the economic sub-regionalization in EAGA is actually more real in the informal economy engaged in by the residents of the proximate islands. Dried fish, wood, clothing, processed food, turtle eggs have been traded by small scale entrepreneurs on a regular basis across the centuries. , And late in the 20th century, cigarettes were included among the most traded goods in the sub-region. Moreover, livelihood for most of the residents of Taganak, an island in the disputed Turtle Islands claimed by the Philippines, is located in and dependent upon the economy of Sabah rather than the islands of Mindanao.⁵²

On a formal level, BIMP-EAGA is a "loosely organized mechanism for sub-regional cooperation"⁵³ and a "flexible mechanism to promote development"⁵⁴. It has a highly decentralized institutional arrangement that is without a central secretariat⁵⁵ but project-specific working groups (e.g. fisheries, tourism, forestry, construction, people mobility). Cross-border interaction and project exploration and implementation have commenced even in the absence of defined policies governing linkages and economic activities.

BIMP-EAGA was not conceived as a trade block like APEC or AFTA that seek economic integration using stringent regulatory mechanisms to remove trade restrictions. The BIMP-EAGA economic sub-region that has now been established is believed to be a revival of the old trading routes and trading centers (e.g. Ujung Pandang in Indonesia and the Sulu archipelago in the Philippines) within the sub-region. As such, it does not have a trade constitution of some sort aimed at dismantling tariffs⁵⁶ although the economic agenda of BIMP-EAGA aims to facilitate the mobility of people, goods and services. It is, however, argued that the more immediate aim of BIMP-EAGA is not trade liberalization.⁵⁷ Rather its focus is the intensification in investments and infrastructure development in the sub-region. It is believed that the flow of goods, services, labor and capital is eased by mutual cooperation that in turn enhances the attractiveness of the

⁵⁰ Ibid., p.83

⁵¹ Ibid., p.105

⁵² Daguilen-Vitug and Yabes, 1998.

⁵³ Regional People's Conference on BIMP-EAGA, 1998, p.69

⁵⁴ www.brunet.bn

⁵⁵ Alternative Forum for Research in Mindanao, p.72

⁵⁶ Daniel Drache in Stubbs and Underhill (eds.), 2000, p.184

sub-region to foreign investment. Inflow of foreign investment, then, may translate into the transformation of the resources of the sub-region into products and services that are competitive in the global market. With economic development as the primary agenda, EAGA seeks to

(1) facilitate freer movement of people, goods and services to stimulate the expansion of the sub-region's market and resource base; (2) to rationalize the development of vital infrastructure in the sub-region; and (3) coordinate the management of ecosystems and common resources to ensure sustainable development. Economic growth is expected to be principally driven by new investments from both local and foreign enterprises. This development strategy is anchored on the belief in the importance of the market in inducing economic efficiency and competitiveness."⁵⁸

Except for the absence of a trade constitution, BIMP-EAGA appears to be some sort of a trading arrangement short of a trade block in itself although it is not often referred to in the sub-region as such. Just like any other trade block BIMP-EAGA, as an institution within the ASEAN, is "an association of nation-states created to reduce barriers to the movement of people, goods, services and investment capital"⁵⁹. As of the time of research, however, BIMP-EAGA does not have legally binding intrusive⁶⁰ policies between member states unlike those found in trade blocks. As a vehicle for economic complementation, the constitution of BIMP-EAGA is not directly based on any global framework of regional cooperation (e.g. the Law of the Seas Convention or Nature Conservation Conventions⁶¹). Cooperation or complementation are technically between business actors and local governments. Thus, memoranda of understanding are often between the said actors but are facilitated by the national governments.⁶²

Public decision-making and private sector activity do converge, but are highly decentralized. Thus, government intervention (such as that undertaken by working

⁵⁷ Cahya Maka Sarawak Berhad, 1999.

⁵⁸ www.col.com.ph

⁵⁹ Daniel Drache 2000, Trade Blocs: The Beauty or the Beast in Theory? In Stubbs and Underhill 2000 (eds.), Political Economy and the Changing Global Order, Oxford University Press, p.186.

⁶⁰ *Ibid.*, p.197

⁶¹ See the related work of David Vanderzwaag and Douglas Johnston, Toward the Management of the Gulf of Thailand: Charting the Course of Cooperation, in Douglas M. Johnston, SEAPOL Integrated Studies of the Gulf of Thailand, (Southeast Asian Programme in Ocean Law, Policy and Management, 1998).

⁶² See the following for a list of the memorandum of understanding and the status of the said arrangements: AFRIM 1998, Globalization and Regionalization: A Baseline Study on BIMP-EAGA, *Mfocus*, Volume 15, No.2., www.eabc.org; Mindanao Business Council, www.minbis-online.com/mbc/serv.htm, 18 August 1998, Ministry of Foreign Affairs, www.mfa.gov.bn/foreign_policy/bilateral_relations/bil_phi.htm

groups) facilitates business activity in the sub-region but does not necessarily dictate the pace nor direction of any business arrangements of the private sector such as that of the EABC.

Arrangements between member states can either be bilateral or multilateral in nature, but, are not as fully laid out as in trade agreements. Rather, arrangements are often 'sealed' by 'memoranda of understanding' that are considered by those in the government and private sector as less binding than the 'memoranda of agreement'. Moreover, multilateral or bilateral arrangements are not necessarily exclusive among member states. Any BIMP-EAGA member state or any sector within the sub-region may enter into arrangements with any other nation-state. However, any arrangement entered into by islands/provinces within the sub-region is considered part of BIMP-EAGA initiatives. Among these arrangements are economic cooperation between islands/provinces in member-states. Furthermore, projects of a local government or sector of a member state with another state outside of BIMP-EAGA for economic ends are also considered as BIMP-EAGA projects. Examples of which are business ventures between a tuna canning corporation in General Santos City in Mindanao and the state of Palau⁶³ and between the provincial governments of Davao in Mindanao and the government of Japan.

Such flexibility is allowed in the economic sub-region considering the economic state of the targeted growth areas in the particular member states. Unlike the Southern China Growth Triangle⁶⁴ which is essentially a product of a growth spillover that is almost spontaneous, BIMP-EAGA was established as a conscious effort to spur economic development based on complementarity between underdeveloped islands of the sub-region. The main motivation in creating EAGA was to integrate fragmented production areas and markets in an already existing naturally occurring economic zone.⁶⁵ Driven by geographical and cultural proximity, the regions within individual states in the EAGA area saw a more productive partnership with neighboring regions from other countries for the

⁶³ RD Fishing of General Santos currently runs a fish cannery in Palau. See brochure of the RD Group of Companies.

⁶⁴ The works of Ong and Nonini (1997), Sum (1998), and Chen and Kwan (1997) indicate that the South China Triangle is primarily private-sector driven and has been established because of the *guanxi* (cultural links). Subregionalism in South China became possible with growing support of the Chinese diaspora, from Hong Kong, Taiwan and elsewhere to the economic reforms introduced in China.

basic reason that they are closer to each other than to their respective countries' capital cities.

"With the exception of Brunei, these areas have traditionally lagged in economic development when compared to their respective capital regions, despite being rich in natural resources. The ASEAN governments of Brunei, Indonesia, Malaysia, and the Philippines united in their desire to enable this area to fully participate in the ASEAN development process, and agreed to form the ASEAN sub-regional economic growth area BIMP-EAGA (or simply EAGA) in March 1994".⁶⁶

Though the sub-region is considered rich in natural resources⁶⁷, it is perceived that the utilization of these resources for economic ends has not been maximized because of limitations in infrastructure support. The target growth areas in particular member states are wanting of necessary infrastructure but are slowly gaining infrastructure support either through government initiatives or through build-operate-transfer (BOT) schemes in partnership with the private sector. Many of the islands/provinces in the sub-region have far too underdeveloped infrastructure to initiate the implementation of any growth strategy that has been used in other growth polygons in East Asia.

Openness to foreign aid from non-EAGA states and investment interests from the corporate sectors outside the sub-region are welcomed. Direct foreign investment either from developed states, multi-national corporations, or relations of affinity (*guanxi*) are not guaranteed by trading arrangements in comparison to the inflow of investments in the South China Triangle. Because of these, the economic development in the sub-region is heavily dependent upon the initiative of the member states to access resources among themselves or to creatively attract investments into a sub-region which does not yet have a proven track record for ensuring security for investments and investors alike.

5. Sub-regional Narratives and Arena of Transformation

BIMP-EAGA also represents an East Asian narrative --- a way of doing things that may be atypical of the current growth trends in other growth areas of East Asia and regional trading arrangements. The flexibility exhibited by the BIMP-EAGA is reflective of the so-

⁶⁵ www.sakura.org.jp on Naturally Occurring Economic Zones

⁶⁶ www.brunet.bn

called Asian Way that espouses Asian values and more 'communitarian capitalisms'.⁶⁸ However, the articulation of values in the sub-region is not the exclusive domain of the private/business sector and the State alone. Hence, there is no singular East Asian narrative that could be drawn from BIMP-EAGA. The discourse or narrative on BIMP-EAGA cannot be confined to the processes of "accumulation, consumption, distribution, and production".⁶⁹ The process of economic restructuring in the sub-region does not only allow the transformation and evolution of economies to ensue but the "transformation of societies and states" as well.

Benedict Topin, an indigenous leader from Malaysia, perceives the economic restructuring in BIMP-EAGA as a cause of the "disintegration" of the indigenous peoples' "spirit, mind and body, dismantling traditional boundaries of space, conceptions of truth and reality, dimension of time, rhythm and pace of change and consciousness of causation and cause and effects."⁷⁰ The economic intent of BIMP-EAGA negates other life-giving dimensions socio-economic spaces. The land, mountains and water bodies are not mere objects of economic gain. They are forces of nature symbiotically related to the very life and existence of the indigenous peoples. The haste and scale by which production of goods is undertaken in BIMP-EAGA disturbs the natural pace and rhythm of life held with regard by many indigenous populations.

Beyond the economic restructuring are social and cultural transformations in ideas, identities and relations of peoples. Sub-regional arrangements encourage border crossings. As boundaries are crossed, "new things come into focus, horizons are displaced, limits are extended, and identities are transformed" through "renegotiation of fundamental structures and understanding of social life".⁷¹ The conference statement of the Regional People's Forum in BIMP-EAGA states that "as BIMP-EAGA seeks to

⁶⁷ See internet sources on BIMP-EAGA profile: www.brunet.bn/org/bimpeabc/BIMPprof.htm, www.issbrunei.com.bn/org/bimpeaga/bimeaga.htm, and the excerpts on the Asian Development Bank study on EAGA at www.brunet.bn/org/bimpeabc/excerpts.htm

⁶⁸ Mark T. Berger, A New East-West Synthesis? APEC and Competing Narratives of Regional Integration in the Post-Cold War Asia-Pacific, *Alternatives* 23, Lynne Rienner Publishers with the Center for the Study of Developing Societies Research Institute, p.5. the APEC meeting in Osaka, Japan in November 1995 produced an Action Agenda that eschewed binding trade agreements in favor of what Fidel Ramos, then president of the Philippines, called the Asian Way.

⁶⁹ Marchand, Bøås, Shaw, 1999

⁷⁰ in the Regional People's Conference on the BIMP-EAGA, 1998, p.3-4.

⁷¹ Stephen Rosow, Naeem Inayatullah and Mark Rupert (eds.), 1994. The Global Economy as Political Space. Boulder and London: Lynne Rienner Publishers, p. 1,9.

transform the situation of its people, the same peoples now seek to transform it".⁷² The economic sub-region may, thus, become an arena of transformation as well. As such, the dynamics within the sub-region give rise to what Marchand, Bøås, and Shaw call the "new state of being"⁷³ that cannot be deduced from a single narrative of sub-regionalism.

6. Sub-regional Arena of Contestation

The exclusion of civil society in institutional arrangements of BIMP-EAGA and its assertion to be part of the development process along with the divergent development projects in the sub-region embarked upon by business sectors and State actors have also transformed the sub-region into an arena of contestation. Marchand, Bøås, and Shaw challenge the new regionalism approach/theory⁷⁴ by saying that the economic restructuring that confronts us, if analyzed further, is actually a "multitude of overlapping, disjunct and often contradictory regionalization processes"⁷⁵ that is not exclusively economic in context. As such there are "juxtaposition, contradictory processes and simultaneous cooperation and conflict interwoven into streams of ideas, identities and more tangible resources".⁷⁶ BIMP-EAGA for the business sector and the State is an engine for economic growth.

For those whose cultural and historical heritage once allowed a freedom of mobility across the islands of the sub-region, BIMP-EAGA constitutes a rediscovering of old trading routes and of cultural-historical connections. And for those who have been deprived of their rights to their ancestral lands and the resources they hold and to a cultural heritage that binds the people of the sub-region, BIMP-EAGA is not just a territory with a multitude of resources to be reclaimed.⁷⁷ BIMP-EAGA is also the integrity of a people with a common culture and history. There are nexi of convergence and divergence in BIMP-EAGA as multiple attempts at sub-regionalism unfold. As Ngai Ling

⁷² Conference Statement, Regional People's Conference on the BIMP-EAGA, 1999, p. 13.

⁷³ Marchand, Bøås, and Shaw (1999), p.899

⁷⁴ Ibid., p. 902 the new regionalism approach/theory analyses regionalism, regionalisation and transnational cross-border flows and interdependencies in a global perspective through historical, multilevel and multidimensional perspectives. Regionalization is, thus, seen as a 'complex process of change taking place simultaneously at three levels: the structure of the world system as a whole, the level of inter-regional relations, and the internal pattern of the single region'.

⁷⁵ Ibid., p.903

⁷⁶ Bøås, Marchand, and Shaw, 1999, *The weave-world: regionalisms in the south in the new millennium*, *Third World Quarterly*, Volume 20, No. 5, p.1063

Sum puts it, "the coupling of geo-political and geo-economic imagination and strategies...involves a wide and often contradictory range of interests/identities for local social forces within a growth triangle or growth polygons."⁷⁸

7. Reflection

The emergence of BIMP-EAGA, is thus both spontaneous and deliberate. Its spontaneity lies in the cultural-historical unfolding of events and the bonding among peoples that result, therein. The more deliberate aspects of EAGA, on the other hand, are the economically and politically driven agenda for development. These political and economic projects have led to processes of sub-regionalizations or varied forms of restructuring at the sub-regional level to achieve the goals of varying agendas of multiple sub-regional actors.

The cultural and historical ties that bind the people of BIMP-EAGA has initially been seen by those who propagate sub-regional economic development as enhancing factors for growth in the sub-region. However, the failure to see beyond the economic context of the historical and cultural bonds may limit the growth-enhancing potential of the socio-cultural ties among the peoples of BIMP-EAGA.

⁷⁷ Jun Mercado in the Regional Peoples Conference on BIMP-EAGA, 1998, P.4.

⁷⁸ Ngai Ling Sum, 1998, p. 76-77.

Chapter 4. Growth Area As An Engine of Development in the Sub-region: The Growth Areas of Mindanao

An attempt to create some kind of an economic synergy between islands/territories of unevenly developed contiguous state for purposes of development posed a challenge. Common to sub-regional development strategies is the creation of nodal sites for growth as engines for economic development. Sassen¹ describes these strategic sites as areas for coordinating globalizing economic process and centers for intensive economic activities that facilitate capital accumulation. In the context of BIMP-EAGA, the idea is to infuse capital into the underdeveloped, yet resource-rich, islands of the sub-region to maximize their growth potential.

The sub-region was conceived by some ASEAN member States (i.e. Philippines, Brunei Darussalam, Malaysia and Indonesia) but is not directly subsumed under the economic agenda of the regional arrangement known as ASEAN. In the said sub-regional configurations are national growth corridors. In the case of the Philippines, the entire country has been geometrically configured to compartmentalize growth strategies. When Fidel V. Ramos, then president of the Philippines from 1992-1998, set the direction of development in the country through the program known as Philippines 2000, the entire archipelago was subdivided into growth corridors that are configured according to different categories of use (i.e., agri-industrial centers, export processing zones). The configurations are visually mapped in the Long-Term National Spatial Development Vision and Strategy: 1996-2025 of the Philippines. The entire region of Mindanao is configured as one growth corridor with sub corridors in a program known as Mindanao 2000². The development agenda in Mindanao is, thus, anchored into the national agenda of reconfiguring the archipelago into strategic sites of growth. These so-called growth areas are "spaces identified as sites economic growth strategies"³ and "active economic development strategy focused on competitiveness, despite whether it

¹In Toward A Feminist Analysis of the Global Economy in *Globalization and Its Discontents: Essays on the New Mobility of People and Money*, (New York: New Press, 1998) pp. 81-107

² Mindanao 2000 is but a name given to a development program that hoped to propel Mindanao from the 20th century towards the next millennium. The name of the program also reflects the consistency between the development plans of Mindanao to that of the national government's agenda.

³ Ngai Ling Sum, 1998, p.77.

was of social democratic or neo-liberal cast⁴. Growth areas are engines of economic growth⁵. They are also otherwise known as growth poles that are economically advanced compared to their neighboring areas.

Mindanao has been subdivided into seven growth zones namely, the Greater Northern Corridor, CARAGA, Davao Gulf, SOKSARGEN, Central Mindanao, Western Mindanao, and the Northwestern Corridor.⁶ Each of these growth zones have key growth areas located in sites with ample natural resources that can be productively used for economic ends, with infrastructure support, or with a promise of a business climate suitable for economic ventures.

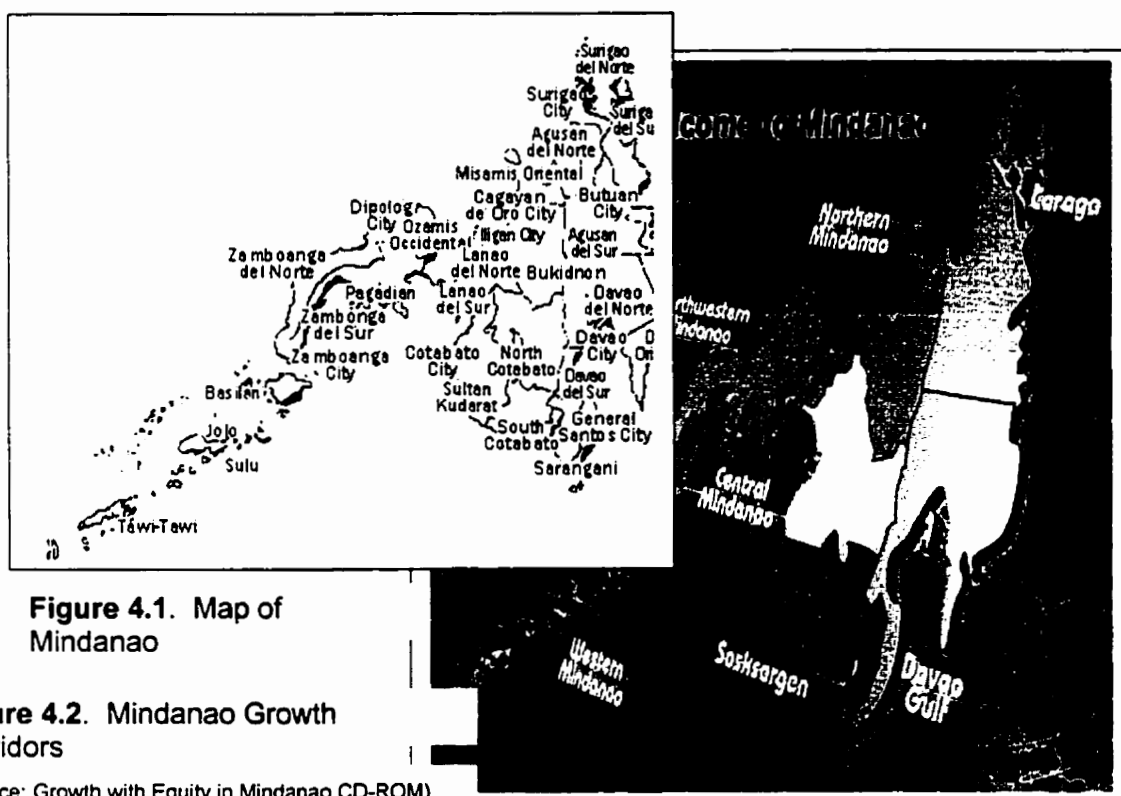


Figure 4.1. Map of Mindanao

Figure 4.2. Mindanao Growth Corridors

(Source: Growth with Equity in Mindanao CD-ROM)

The process of economic restructuring employed therein is an economic development strategy (EDS) consistent with a growth area strategy⁷ where growth centers/areas are

⁴ Todd, Megacity: globalization and governance in Toronto, *Studies in Political Economy*: 56, (Summer 1998)

⁵ Todaro, 1997, p.694

⁶ See Growth with Equity in Mindanao, Mindanao Now, CD-ROM and www.mindanao.org

⁷ Regional People's Forum on the BIMP-EAGA, 1999.

established and "are identified as focal points of an expanding economy"⁸. In many developing countries, these focal points were deemed necessary toward a "concentrated effort to promote rapid urban industrial growth". Therein, "large scale economic activity tends to cluster around growth poles due to economies or agglomeration and the lower costs of locating an industry in an area where economic infrastructure has been built up".⁹ Unlike conventional economic zones or growth areas, the underdeveloped or developing islands of the BIMP-EAGA were the designated areas for intensive infrastructure development and concentrated economic activity for the purpose of gaining a competitive edge not only in export production, but, also in drawing investments. In the case of Mindanao, economic zones were established by the "combination of 'market friendly' public sector policy interventions and private sector investments"¹⁰.

Capitalizing on Mindanao's fertile land, rare occurrence of typhoons, untapped natural resources, and underdeveloped agricultural potential, the growth areas of Mindanao have specifically been identified as agri-industrial development zones that will boost the export economy of the country.¹¹ In a region where agriculture is "the forgotten component of most Asian economies"¹², Mindanao stands a chance in capturing the Asian market for agricultural products. Moreover, the rich cultural and historical background of the region coupled with natural sites for exploration provide the potential for tourism attractions and a chance to capture a large share in the tourism market of Southeast Asia.¹³

Three models of growth areas will be given focus in this section: (1) a growth area that emerged out of heavy infrastructure support typical of other East Asian growth areas; (2) an area just out of war, has limited infrastructure support, but blessed with an

⁸ Michael Todaro, Economic Development (Sixth Edition), (Addison-Wesley Publishing Company, Inc., 1997) p. 235

⁹ Ibid., p. 235 and 696.

¹⁰ MEDCO, BIMP-EAGA Briefing Papers for EFM, 1998

¹¹ AFRIM, Globalization and Regionalization: A Baseline Study on BIMP-EAGA, *Mfocus*, Volume 15, No.2. 1998, Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report, October 1995-March 1998 and www.mindanao.org

¹² Minda-Wow! The New Front Door, *Credit Lyonnais Securities Asia*, Section V, (May 1997).

¹³ See Mindanao Business Council, The Many Facets of Mindanao, *Philippine Business*, 1999 and www.mbc.com.ph

abundance of marketable resource from the sea; and (3) one that capitalizes on nature and culture and infrastructure development to promote growth in the tourism industry.

A. General Santos City: "The Boomtown City"

Consistent with the growth area strategy, the General Santos City growth area served as the site of an export-oriented industry but one that is primarily based on fisheries. The city is located at the southeastern tip of the island of Mindanao and strategically located near rich fishing grounds. GenSan, as the city is often called, "lies close to the rich fishing ground of Sarangani Bay, Sulawesi Sea, and adjacent waters of Western Pacific."¹⁴ It is about 1,500 nautical miles south to the tuna belt, which stretches from the Celebes sea eastward for almost 5,000 miles. This tuna belt, from 10 degrees north to 10 degrees south, can sustain tuna catches of 3 million tons per annum, worth \$3 billion."¹⁵ The daily tuna landings are segregated for direct export of tuna to Japanese and North American markets or for processing in General Santos City's canneries.

It is from the wealth of sea that analysts credit much of the phenomenal growth of family incomes in the area to as much as three times the national average at the first quarter of the 1990s.¹⁶ GenSan accounts for the second largest total daily fish landings in the country.¹⁷

General Santos City, like the provinces in the SOCSARGEN growth corridor, sports a climate suitable for agricultural production and invites investors to a territory that sits outside the typhoon belt and is most suitable for farming activities. Thus, making the city suitable for an agri-industrial economy. The SOCSARGEN growth area is the largest producer of corn, coconuts and copra, pineapples, asparagus and rice. Likewise, it produces other high value crops (e.g., exotic fruits, potatoes, vegetables, cutflowers and okra) processed for export or marketed in neighboring regions.¹⁸

¹⁴ Office of the City Mayor (General Santos City), *General Santos City Where Everything Works and Nothing Stands Still*, (1998) and General Santos City Economic Management and Cooperative Development Office, *General Santos City Facts and Figures*, (1999)

¹⁵ SOKSARGEN Area Development Project Office, *Downsites of the Commercial Fishing Industry-GenSan Scenario*, (1999).

¹⁶ Growth with Equity Program, *The SOCSARGEN Model*, 1998.

¹⁷ Op. Cit.

To ensure competitiveness and productivity, a highly efficient infrastructure is always necessary in growth areas. Thus, "SOCSARGEN Model" includes infrastructure development efforts, "an associated enterprise development/investment promotion program for the area" and a "local oversight of the entire effort by an Area Development Board made up of the political, economic, and NGO leadership of the area".¹⁹ Among the projects initiated are the building of a new jet airport for the area; expansion and modernization of the area's seaport; upgrade of roads in the area; and the construction of a new fish port. The infrastructure upgrades were support programs for the productive tuna industry and the growing agri-based industries. To access major foreign markets in the sub-region, region and beyond (i.e. Brunei Darussalam, Singapore, Malaysia, Indonesia, Australia, Pacific Islands, Japan, Hong Kong, Middle East, Continental Europe and United States)²⁰, infrastructure support projects (i.e., an agri-processing center, a fishport complex, telecommunications services, an airport, and seaport) were given top priority.

The scheme created a sprawling "boomtown city", as it is lovingly called by its residents and economic analysts alike, of a rural area in less than a decade. GenSan is now the fastest growing city in the Philippines. Back in 1980s, General Santos City was just another area with an agricultural and fisheries potential that was almost characteristically rural if not for its reference as a City. Its infrastructure services were poor and telecommunications service was wanting.²¹ This is not yet to mention the stigma of the ongoing war between the government and the Muslim rebels that was upon entire Mindanao. In 1998, General Santos City logged a total value of investments at roughly Php 7.27²² billion in 1997 when the Asian crisis hit other economies.²³ "Newly registered business establishments in 1998 totaled 2,302 while capital infusion of newly registered business establishments reached PhP 11.5 billion." In the 1998, the total value of investment reached PhP18.44 billion. The total foreign exports in 1998 is valued at about US\$335 million and imports at US\$135.489 million. The total trade for 1998

¹⁸ Growth with Equity Mindanao, *Profile of General Santos City*, (Updated May 26, 1999).

¹⁹ Growth with Equity Mindanao, *The "SOCSARGEN Model"*, (1998).

²⁰ City Economic Management and Cooperative Development Office, *General Santos City Facts and Figures*, (1999).

²¹ Growth with Equity in Mindanao Program, *Profiles of SOCSARGEN* (May 1999)

²² Exchange rate at approximately US\$1=Php 38 in 1997 and Php40 in (1998)

²³ Opcit.

amounted to about US\$470.795 million while the balance of trade is pegged at US\$199.816 million.²⁴

B. Tawi-Tawi: The Story of Seaweeds and the Peace Dividend

Most unusual is a growth area in a politically unstable and underdeveloped area where there is almost an absence of any infrastructure to jump start an economy. Mindanao has always been identified as a war zone with an almost unending conflict between the government and the Muslim rebels. Almost five hundred years after the first Western colonizers set foot on Mindanao, the armed conflict has not ceased. Thus, not only was Mindanao the backwater of Philippines it is often associated with political and economic insecurity as well. The peace agreement between the Moro National Liberation Front and the government in 1995 led to development initiatives in areas affected by the armed conflict. It was conceived that with rich natural resources, what used to be war zones can possibly become growth areas. War-torn areas in Western and Central Mindanao were, thus, transformed into agri-industrial sites. Former Muslim combatants became active partners in the transformation process. Former combatants in Datu Paglas, Davao planted bananas as cash crops for exports. In Talayan, Cotabato, former soldiers of the Moro National Liberation Front farm cassava to supply chips for La Tondeña rum's distillery.²⁵

A classic case of a growth area is found in the Tawi-Tawi Island group which consists of 307 islands and islets and is the southernmost tip province of the Philippines. It is the most proximate province to Sabah of Eastern Malaysia. Tawi-Tawi, whose capital is Bongao, has been a trading entrepot since the 14th century.²⁶ It is in one of its islands, Simunul, that Shiek Karimal Makdum (a missionary Arab theologian) first introduced Islam to the islands in 1380. And in its neighboring province, Sulu, the first Muslim Sultanate that also ruled over East Malaysia was established. Tawi-Tawi is also home to other ethnicities that have not embraced the Islamic faith

²⁴ Ibid.

²⁵ Asian Business, *Reaping the Peace Dividend*, (April 1997), p. 50,53.

²⁶ See www.mindanao.org, Gemma Casas, on the Foundation of Islam in the Philippines, Islamic World News, www.ifds.net/art_isl_270999.htm, 27 September 1999, Danguilan-Vitug, Marites and Yabes,

The islands of Tawi-Tawi became Muslim rebel training grounds in the second half of the 20th century. The islands were also the training ground of Philippine government-trained Muslims, many of whom died in the infamous Jabiddah massacre.²⁷ The Muslim soldiers were being prepared to launch an offensive against Borneo at the height of the dispute over Sabah until the untimely discovery of the plot by Malaysia.²⁸ The group of islands is one most contested territories claimed by the Islamic Mindanao secessionist movement until the Peace Accord signed between the Moro National Liberation Front and the government in 1995. While the islands are still being claimed by another rebel group, the Moro Islamic Liberation Front, a mediated development strategy is taking off in Tawi-Tawi.²⁹

What was once a hotbed of armed conflict and one of the remotest islands of the Philippines has now been a home for a multi-million dollar seaweed farming operation. In 1997, Sumitomo Corporation of Japan agreed to engage in a joint venture with the Moro National Liberation Front ex-combatants' cooperative, the SugBagho Multifactors Corporation, to help boost the Philippine production of seaweeds.³⁰ As it turned out, the country supplies 80% of the world's needed supply of carageenan, "a substance processed from seaweed that is used in the manufacture of food, cosmetics and medicines".³¹ Philippines is also the world's largest producer of Eucheema seaweed that is rich in carageenan. The 7,000 hectares of shallow coastal waters of Tawi-Tawi were turned into seaweed farms. However, the economic crisis and poor energy infrastructure in the Tawi-Tawi islands derailed the investment process by Sumitomo Corporation. Instead, the seaweed farmers engaged in small-time trading or served as consolidators for Zamboanga-based seaweed traders.³² Thus, economic activities resulted to direct economic benefits for the families of seaweed farmers.³³

Criselda, *Jalan-jalan: A Journey Through EAGA*, (Pasig City: Anvil Publishing:1998) and Fuentes, Winston, 1998 *Negotiating an Agenda for Peace and Self-Rule in Moroland*, MFOCUS, No. 4.

²⁷ See ACCORD, Mindanao: Land of Promise, www.c-r.org/acc_min/muslim.htm, 11 April 1999.

²⁸ Ibid.

²⁹ See Growth With Equity in Mindanao Program, *Mindanao Development*. Mid-Term Report, October 1995-March 1998 and www.mindanao.org

³⁰ Ibid.

³¹ See Major Canadian Imports from the Philippines, www.philcongen-toronto.com/trade, 16 November 1999 and www.philexport.org

³² From an e-mail reply of Emma G. Salmani on the status of seaweed projects in Tawi-Tawi. Ms. Salmani is the GEM area head of Western Mindanao (gembam@mozcom.com or zamboanga@mindanao.org)

³³ Ibid.

On the other hand, the national government and donor agencies continue to pour in support to the establishment of world-class communication facilities and an airport. This infrastructure is aimed at opening Tawi-Tawi to the tourism industry. There is an intensive investment promotion for eco-tourism in the islands which has one of the best diving sites in the sub-region. And to reclaim its status as a southern gateway to the Philippines, Tawi-Tawi was designated as a border crossing point of BIMP-EAGA where one-stop consular services are offered.³⁴ Furthermore, there is an ongoing attempt by the governments of the Philippines and Malaysia and donor agencies along with NGOs to save the sea turtles that lay their eggs in the islands of Tawi-Tawi.³⁵

C. Tourism and the Making of the Island Garden City of Samal

Tourism is a multi-million dollar business in the Philippines. An archipelago with over 7000 islands, the country became an ideal site for tourism ventures. The favourable economic climate brought by the Asian economic boom and improvements in the transport technology in the sub-region created an opportunity to develop the tourism industry³⁶. Thus, a tourism master plan was conceived and completed in 1991 with the joint effort of the Department of Tourism, the United Nations Development Program and the World Tourism Organization.³⁷ The Plan, which preempted Philippines 2000, was nevertheless consistent with the national development strategies for growth. Tourism is to become a vehicle for the country's growth. The islands of the Philippines were again geometrically configured to put into place tourism themes in the country's three major island groups. Mindanao is supposed to be the site of cultural and ecological tourism. The Philippine Tourism Master Plan sought to "spread the contribution of tourism to economic growth by developing three major clusters based on 'international gateways' in Luzon, Visayas and Mindanao with the latter cluster positioned as 'an exotic wilderness and cultural destination'".³⁸

³⁴ AFRIM, Globalization and Regionalization: A Baseline Study on BIMP-EAGA, *Mfocus*, Volume 15, No.2 (1998)

³⁵ Turtle Island Heritage Protected Area, www.oneocean.org/ambassadors/track_a_turtle/tihpa/pti.html, 1999, World Wildlife Federation, www.wwwf-phil.com.ph/home/htm, 1999 and Kabang Kalikasan ng Pilipinas www.philngo.com/wwwfi.htm, 1999

³⁶ AFRIM, Globalization and Regionalization: A Baseline Study on BIMP-EAGA, *Mfocus*, Volume 15, No.2. (1998)

³⁷ From the report of the Department of Tourism, *The Samal Island Agri-Tourism Sites*, July 1999.

³⁸ AFRIM, 1998, p.17.

Back in the 80s and towards the first quarter of the 90s, a group of islands in the Davao Gulf area collectively called Samal attracted tourists to its small resorts that highlighted the island's natural endowment. The government took notice of the potential of the islands for large-scale tourism projects and, thus, started working on the concept of the Samal Island Tourism Estate. A congressional enactment was sought, Republic Act No. 8471, to create the Island Garden City of Samal to facilitate the implementation of a major tourism flagship program, the Samal Island Tourism Estate Project (SITEP). The new city is now the component city of the province of Davao del Norte³⁹ and is destined to be a satellite tourism destination⁴⁰. Under the Local Government Code of 1991 of the Philippines, a component city is accorded more autonomy to chart the course of its development under the decentralization scheme. The creation of the new city was largely based on its tourism potential since in many ways the island can be sociologically classified as rural. However, the thrust of BIMP-EAGA to "establish itself not only as a single tourist destination but also as the ASEAN Resort Playground of the 21st century"⁴¹ encouraged government to create a tourism estate out of Samal.

The islands were selected for "major resort estate development in the Philippines " because of the following: "proximity to a large economic base, associated infrastructure, as well as the emerging international gateway; the diversity of attraction necessary to support length of stay; the quality of the main attraction in an island beach area; the relative security of an island location; large areas of suitable land available for development; a highly receptive community and regional organization".⁴²

The tourism estate is supposed to be located in the largest of the nine islands called Samal. Kaputian district in the island of Samal now houses a sprawling casino resort in a site supposedly for agri-tourism. The Samal Casino Resort is one of the most visible products of BIMP-EAGA initiatives. In an agreement between the Department of Tourism, Philippine Tourism Authority and the Malaysia conglomerate, Ekran Berhad, the unfinished yet operational resort now occupies about 1,700 hectares of land.⁴³ More

³⁹ Davao Integrated Development Project, *Island Garden City of Samal*, 1999.

⁴⁰ Op cit.

⁴¹ Alternative Forum for Research in Mindanao, (1998), p.17.

⁴² Department of Tourism, The Samal Island Agri-Tourism Sites, accessed in July 1999.

⁴³ Mindanao Division Office of Product Research and Development Department of Tourism, Samal Island Tourism Estate Social Acceptability Survey: An Update, (September 1996), Resource Ecology Foundation for Regeneration of Mindanao, Incorporated, Samal Island Tourism Estate (S.I.T.E.) Final Report, (October

land has been leased to the Malaysian conglomerate, but, the resort development was slowed down by the Asian economic crisis. The Malaysian corporation now owns 100% equity of the Samal Casino Resort.

D. Synthesis

Natural resource utilization, infrastructure development, and small-to-large-scale enterprise development are common to the growth areas under study.⁴⁴ What may set them apart from other growth areas in the ASEAN region is the departure from manufacturing-based industrialization that is heavy on imported inputs. On the other hand, the growth models in Mindanao's growth areas actually mimic much of the Philippines colonial and neo-colonial economic past that promoted large-scale production, resource extraction, and an export-oriented economy as economic development strategies.

1995), Department of Tourism XI, Tourism Sales Mission, Samal Agri-tourism Estate, Island Garden City of Samal (1999), City Government of Samal, Island Garden City of Samal A Brief Profile, (1999).

⁴⁴ See www.mindanao.org, www.minbiz-online.com; Project Brief Mindanao Investment Forum (7 July 1999), www.eabc.com; City Economic Management and Cooperative Development Office, General Santos City Facts and Figures, (1999); The Economy in 1998, *Mindanao files*, DIDP Project Management Office, Davao Integrated Development Program, (1999), MEDCO, BIMP-EAGA Briefing Papers, (April 1999), Briefing Papers, Growth and Equity Mindanao (April 1999); Growth With Equity in Mindanao Program, Mindanao Development, Mid-Term Report, (October 1995-March 1998).

Chapter 5. Actors in Development Governance in Mindanao Growth Areas

What makes the study of growth areas of interest as nexi of analyses are the multiple development agenda that are played out by development actors in the process. Earlier in the thesis it has been argued that sub-regional projects emerge out of multiple actors with multiple or varying agenda for development. To borrow words from Marchand, Bøås and Shaw¹, "the actor or unit may be a transnational corporation (TNC), but it can just as well be a state...or groups in civil society" who, in this case, pursue a sub-regionalism strategy in order to obtain their objectives. BIMP-EAGA, as an economic engine for development, was considered an abstract idea given flesh by State and corporate actors. However, such assertion was forwarded without giving due credit to the sub-regionalizing and development-initiating capacities of the informal sector (e.g. petty merchants and smugglers alike) who have economically benefited from exploiting the potentials of geographic proximity among the islands of the sub-region. Furthermore, beyond the economic forces and actors are civil society organizations (e.g. NGOs) who either support sub-regional economic initiatives or are critical about it. In effect what this and the succeeding sections point out is the multiplicity of interests and actors at play in the process of sub-regional development.

What is interesting about the study of development governance is the fact that actors target their respective sub-regional projects in immobile spaces and often "immobile subjects". This is particularly true in the case of Mindanao growth areas. Improving Mindanao's current socio-economic, political, cultural state becomes the project of multiple actors. At certain times, their development agenda and initiatives converge while at other times diverge. Some of the actors are direct participants in the process of development whereas others have advocates or agents who influence Mindanao's development directions.

Limitations of time and information access for this research only allowed the researcher to explore a limited number of actors who are engaged in the governance of development in Mindanao's growth areas. A more detailed description of development projects and initiatives of each actor are found in the Appendix to this thesis. The

¹ 1999, p.899

discussion that follows are generally based on the description made of actors in the Appendix. Listed below are the following actors:

Table 5.1. List of Actors in the Governance of Development in Mindanao's Growth Areas²

Level of Governance	State / Actors	Business/Corporate Actors	Civil Society
GLOBAL/International Connections	World Trade Organization World Bank		Habitat for Humanity/Jimmy Carter Work Project
	United Nations System	Asian Development Bank	Federation of OIC Mindanao Associations in Sulu Area
	United States Agency for International Aid (USAID)	Friends of Mindanao	IIRO
	Japanese International Cooperation Agency/Overseas Economic Cooperation Fund (JICA/OECF)		
	Australian Agency for International Development		
	British Overseas Development Aid		
	GTZ		
	DANIDA		
	Organization of Islamic Countries		
REGIONAL	ASEAN Asian Development Bank	US-ASEAN Business Council	Focus on Global South
	APEC		Initiatives for International Dialogue
SUB-REGIONAL	BIMP-EAGA Senior Officials Ministerial Meeting	East ASEAN Business Council	Regional People's Conferences on BIMP- EAGA
NATIONAL	BIMP-EAGA Working Groups	Philippine Council of Commerce and Industry	Kilusang ng Magbubukid ng Pilipinas (KMP)
	National Economic Development Authority		SEARICE
	Office of the Presidential Adviser on the Peace Process		
	PCAARD		
MINDANAO REGION	Mindanao Economic Development Authority	Mindanao Business Council	Mindanao-Palawan People's Conference on BIMP-EAGA
	Southern Philippines Council of Peace and Development	Growth With Equity in Mindanao	Kusog Mindanao
	Presidential Assistant for Regional Concerns		Kalinaw Mindanao

² See Appendix for a brief on the development agenda of each actor. Also see Mario Joyo Aguya, *The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community*, www.incore.ulst.ac.uk/esn/joyo.html, (13 August 1999), *Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report*, (October 1995-March 1998), ADB, Country Assistance Plan, www.adb.org/CountryAssistance_plans/phicap.pdf, brochure of Kusog Mindanao (1999).

Level of Governance	State/Actors	Business/Corporate	Civil Society
			Alternative Forum for Research in Mindanao
			Moro National Liberation Front
			Moro Islamic Liberation Front
GROWTH CORRIDORS			
Davao Gulf Area	Davao Integrated Development Project		
SOCKSARGEN (South Cotabato-Sarangani-General Santos Growth Area)	SOCKSARGEN Development Project Office	SOCKSARGEN Association (SOCCPA)	
	SOCKSARGEN Fishing Industry Steering Committee	ABS-CBN	
LOCAL GOVERNMENT AREA SPECIFIC			
Island Garden City of Samal	City Government	Ekran Berhad/Ekran Services, Inc.	REFORM
	Samal Island Tourism Estate Project (SITEP)		TACDRUP
	Infrastructure Monitoring and Advisory Group for the Samal Island Tourism Estate Project (IMAG-SITEP)		SLS-CARBMCO
General Santos City	City Government	RD Group of Companies	SHED
		Philippine Chamber of Commerce and Industry - General Santos	Mahintana Foundation
			Rotary Club of General Santos
			Mindanao State University - General Santos City
			MDFI
Tawi-Tawi Group of Islands	Tawi-Tawi City Government	Shenberg Corporation	KKP/MWF
			Coastal Resource Management
			Apostolic Vicariate of Jolo
			SHINE

The thrust of development is not the sole domain of state actors. In the case of the Mindanao's growth areas, the state, business and civil society actors all seem to share a common objective of improving the quality of life³. How quality is defined and for whom the improvement is directed cannot, however, be treated in detail in this study. However,

³ See the Appendix for details. Also check the following: Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report, (October 1995-March 1998), Tri-People Consortium for Peace, Progress and Development of Mindanao, Defending the Land: Lumad and Moro People's Struggle for Ancestral Domain in Mindanao, (Philippines: TRICOM, SNV, ICCO and AFRIM, 1998) and CRS/Philippines, OPAPP, UNICEF, MinCARRD, Kalinaw Mindanao, Panagtabo sa Mindanaw (UNICEF, 1998) for more details on development actors in Mindanao.

it seems that the altruistic concern for the people of Mindanao by the various actors included in the study justifies the many development initiatives in Mindanao.

A. The State Actors

There is a strong State presence in the growth areas. In fact, the very concept of growth centers and direction of development are strategically crafted and planned by the governments. Countryside development and the configuration of geo-economic units (e.g. growth corridors) in Mindanao emanated from the State.

Laws on decentralization and devolution require multiple levels of State intervention in the development process. The country review by the Asian Development Bank⁴ have noted the multiplicity of development actors in the Philippines. Decentralization and devolution require multiple levels of State intervention in the process of development.⁵ However, since the mechanisms of decentralization and devolution have not been fully explored in many areas in the country, often an overlapping of responsibilities occurs. For instance, despite policies upholding local governance, the development of Samal Island and General Santos both manifest the strong presence of the national government agencies and offices in the field (e.g. SITEP, SOCKSARGEN Area Development Project, SOCKSARGEN Steering Committee for the Growth of the Fishing Industry).

While it may be easy to make a quick judgement on the inefficiency of this mode of development governance from the State, the unpreparedness of local government actors to undertake projects of development have often been the rationale behind the strong presence of national agencies in the local arena. However, it may be argued that the overarching agenda of the national government to aggressively influence local development is a motivation also worth exploring.

The economic control of the State over the economy as a whole and the use of natural resources in growth areas, in particular, for purposes of development is overwhelming. In a way this debunks assumptions of a State's retreat along a neo-liberal path such as

⁴ in ADB, Country Assistance Program (Philippines), www.adb.org (1999)

⁵ See Republic Act 7160 or the Republic of the Philippines Local Government Code of 1991.

the Philippines. Among indicators of this strength are development planning, investment promotion coordinating development aid and the facilitation and enhancement of policy support for the neo-liberal agenda.

However, it is interesting to note that state-driven agenda for development in growth areas is essentially market-driven. While there are multiple State actors within the growth areas, the agenda which they carry is too much oriented towards bringing in investments and growth so that it is difficult to distinguish the autonomy of the State agenda from that of the business actors.

B. Supra-national State Actors

Supra-State actors, on the other hand, have flocked to Mindanao in the name of peace and development⁶. Except for US-AID whose programs (e.g. GEM, GOLD, environmental aid) are all over Mindanao, international donor agencies have a more focused target beneficiary areas (e.g. Davao for CIDA's LGSP, Tawi-Tawi for GTZ). Donor agencies like USAID, CIDA and JICA not only deliver development aid, but, likewise play influential role in reshaping and redirecting the development agenda of the growth areas through capability building programs (see Appendix for the development agenda of the actors included in the study and the list of acronyms at the start of this thesis). Analysis of the development agenda of local government units that have been assisted by these donor agencies will reveal many of the development jargons used by the said donor agencies (e.g. capability building, poverty alleviation, growth and equitable distribution, integrated development) in the local development plans.⁷

While doing so, they have also assumed to a given extent a share of the role expected of the government like financing social service delivery, employment generation,

⁶ See Peace and Development Reshaping Mindanao, *Washington Times* (8 April 1998), p.3, Greg Rushford, The Rushford Report: Boomtown City: How U.S. Foreign Aid Sparked Economic Growth in General Santos City, Philippines, *Politics of International Trade and Finance*, Washington D.C.(March 1999), International Islamic Relief Organization, www.arab.net/iiro, and Mario Joyo Aguya, The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community, www.incore.ulst.ac.uk/esn/joyo.html, (13 August 1999).

⁷ See projects of the of Philippines-Canada Local Government Support Program, for instance. Projects of the Regional Development Council pursuing social and economic development through the Countryside Agri-Industrial Development Strategy (CAIDs) reveal many of Canada's upheld values like equity, gender sensitivity, basic human needs, environment.

environmental protection and management, infrastructure development, gender integration in the development process and human resource development.

Eclectic is perhaps the most appropriate word to describe the mode of development undertaken by the donor community in Mindanao's growth areas until recently. Early in the year, the donor community met to reflect on the impact of development projects in the Philippines and, therein, opted to pursue poverty alleviation as the most appropriate strategy to benefit the more marginalized people in the country.⁸ This reflects a shift in focus in development aid that was very much concentrated on economic development and governance.

It is important to note, however, that except for the presence of Indonesian observers of the GRP-MNLF negotiations and the plan to bring in observers from the other BIMP-EAGA countries in the GRP-MILF peace process, no other sub-regional state actors directly engage in the governance of the growth areas in this study.⁹ Sub-regional influence in development can be best gleaned from policy directions suggested by BIMP-EAGA working groups.¹⁰ The ASEAN's non-interference principle may have much to do with this regard. On the other hand, unlike sub-regional actors, agents of WTO are more assertive at shaping the development thinking in areas like General Santos to adapt to the neo-liberalizing economic fundamental set by the national government. The drive of the City towards agri-industrialization and an export-oriented fishing industry render the growth area more vulnerable to WTO regulations and the AFTA.

C. Business Actors

The increasing and prominent role that the business sector plays in growth areas is also worth attention. The market-driven and sub-regionalization agenda promoted by the State elicited a dynamic response from the business sector. Inspired by the partnership opportunities to development offered by the State, the business sector organized themselves to provide opportunities for information exchange, business-matching, and

⁸ Philippine Daily Inquirer dated February 1, 2000.

⁹ Foreign Observers to grace GRP-MILF Formal Peace Talks, *Maradika*, June 1999, p.7

¹⁰ AFRIM, Globalization and Regionalization: A Baseline Study on BIMP-EAGA, *Mfocus*, Volume 15, No.2. (1998)

for the exploration of new markets and investment areas¹¹. They also contribute to countryside infrastructure development, research and development for the market sector and security initiatives to help protect the larger industrial interests such as tuna fishing¹². The goal is to go beyond just capital accumulation if the development statements of the business sector are to be given credit. A synergy among business actors aimed at growth for Mindanao and redistribution of benefits thereof have become a battlecry.

But the goal of redistribution of benefits is more manifested among the players in local development. RD Fishing operates a profit-sharing scheme and so do many other purse-seiners. SOCOPA, in an attempt to secure the tuna fishing industry, pulled together resources among purse-seiners to provide security at sea where the government is unable to effectively dispose of its responsibility. Furthermore, the business sector rallied to raise additional resources for health benefits and for the repatriation of their crew members in case they run into trouble with the authorities of another state while fishing.

C. Civil Society

The work of independent non-State organizations in the growth areas in the study is more focused on research, networking and advocacy in the sub-regional and Mindanao-region level. Those that directly deal with the delivery of basic services like education and health (i.e. SHINE of Tawi-Tawi¹³ and SHED of General Santos City), except for local Church groups, are often funded by donor agencies. For a country like the Philippines where civil society is said to be dynamic, there is weakness in the presence of autonomous people's organizations in growth areas. In the case of Samal Island, NGOs active in influencing the course of agri-tourism are external to the island¹⁴. While

¹¹ See www.eabc.org, www.minbiz-online.com, www.mindanao.org, www.vismin.com and MBC, The Many Facets of Mindanao, *Philippine Business*, (1999)

¹² See brochure of the RD Group of companies.

¹³ SHINE, SHINE Project, www.shine.org.ph/home/club.htm

¹⁴ For instance, TACDRUP (which is currently engaged with the local government of Samal for community-based tourism ventures) and REFORM (the NGO who helped facilitate initial community organizing projects among the affected communities of SITEP) are not community-based NGOs but are considered as regional NGOs. TACDRUP, for instance, is based in Davao City.

the most prominent people's organization, the SLS-CARBMCO¹⁵, has been organized through the design of a state agency project¹⁶. In General Santos City, the more visible and active non-government organizations are often funded by donor agencies as well (e.g. USAID funded projects run by SHED Foundation). This may be indicative of the inability of many civil society organizations to substitute social welfare responsibilities of the State in growth areas without the facilitation of the State and financial support from donor agencies. If this is the case, it is tempting to ask to what extent are civil society organizations independent of the State and donor agencies?

The case of NGOs and people's organizations working for peace and development, however, is one where autonomy in advocating issues that impact on peace is woven into the intricate process of working with donor agencies¹⁷. The peace partners of Mindanao have reflected the concerns and local approaches in peace and development through a peace education module whose publication is funded by the United Nations¹⁸. Added to this, GEM, whose program is run overwhelmingly by Filipinos¹⁹, has designed a development scheme that worked its way through traditional social and political hierarchy of Muslim people in Mindanao²⁰. There is an assertion among civil society organizations, that run donor agency-funded projects, to do development as they see fit for the people of Mindanao.²¹

¹⁵ See Mindanao Division Office of Product Research and Development Department of Tourism, Samal Island Tourism Estate Social Acceptability Survey: An Update (September 1996) and the Resource Ecology Foundation for Regeneration of Mindanao, Incorporated, Samal Island Tourism Estate (S.I.T.E.) Final Report, (October 1995)

¹⁶ The Department of Tourism XI, in accordance to SITEP plans, pursued a community organizing project to address displacement issues of agricultural communities affected by the rise of the tourism estate.

¹⁷ See Peace and Development Reshaping Mindanao, *Washington Times*, (8 April 1998), p.3, CRS/Philippines, OPAPP, UNICEF, MinCARRD, Kalinaw Mindanaw, Panagtabo sa Mindanaw, (UNICEF, 1998) and Mario Joyo Aguya, The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community, www.incore.ulst.ac.uk/esn/joyo.html, (13 August 1999)

¹⁸ A module for peace education entitled "*Panagtabo sa Kalinaw*" (a local term for encounter/dialogue for peace), published by the UNICEF, is a product of NGO, State and donor agency collaboration. The final output reflects a peace module that cuts across a tri-cultural and inter-religious complexion of Mindanao's peoples (the Christians, Muslims and the *Lumads* (indigenous peoples))

¹⁹ Karen Emmons, Corporate Misfits on a Mission in Mindanao, *Asia Money*, (November 1996), p.89.

²⁰ Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report, October 1995-March 1998.

²¹ See Kusog Mindanao, Summation of Resolutions Passed in Previous Kusog Mindanaw Roundtable Conferences (1999)

The participation of ex-MNLF combatants in pursuing development goals²² and the attention given to the struggle of the MILF to shape the development agenda in Mindanao are political transformations indicative of the openness of the government actors, the business sector and civil society organizations to involve the Muslim population²³ of Mindanao in the quest for more sustainable development. The government's programs in SZOPAD areas, GEM's livelihood assistance projects with ex-MNLF combatants in General Santos City and Tawi-Tawi, partnerships between Christians and Muslims in peace education²⁴ and health care delivery (e.g. SHINE in Tawi-Tawi) are all reflective of the said transformation. There is, however, little sign of Muslim integration or affirmative action towards the Muslim population in major growth area projects in a more developed area like General Santos City²⁵.

D. Reflection

There seems to be some sort of division of labor in the ongoing development in Mindanao. It appears that the State does the central planning although local interpretations of which may manifest in the process. Donor agencies finance some of the projects, whereas, the business sector plans with the government and to some extent provides finance for development programs that may also benefit their interests. The civil society organizations, on the other hand, while serving as vanguards of the marginalized sectors of society also serves as contracted implementors for projects funded by donor agencies.

Limited though the list of the development actors included in this study, there is proof of the existence of the State, business and civil society actors in the development process in Mindanao's growth areas. Analysis of development governance cannot, therefore, be limited to the involvement/participation of the State and civil society organizations alone.

²² Ibid.

²³ See Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report, October 1995-March 1998.

²⁴ CRS/Philippines, OPAPP, UNICEF, MinCARRD, Kalinaw Mindanaw, Panagtabo sa Mindanaw, (UNICEF, 1998)

²⁵ See FEMAS, on the MILF, www.maranao.com/moro-body.htm and Philippine-European Solidarity Center, on Bangsamoro NGOs and POs, www.philsol.nl and Shiek Abu Zahel, The Moro Jihad: Continuing Struggle for Islamic Independence in southern Philippines, www.islam.org.

Moreover, considering the multi-layered governance structure (i.e. from local to global), each category of actors (i.e. State, business and civil society) cannot be generically treated. Thus, just as there are civil societies, there are States (i.e. to refer to different levels of governments) and businesses whose approaches to development may vary simply because of the level (i.e. local, national, regional, global for instance) of development arena they chose of engage in.

Chapter 6. Approaches to Development Governance

A. General Trends

Based on the review of development initiatives among the actors in Mindanao's development¹, neo-liberal approaches² to development seem to be the major theme among State actors engaged in sub-regional development. For half a decade, infrastructure development, transformation of economic policies, structural adjustment, investment promotion, deregulation, and privatization became major strategies in order to facilitate investment that will stimulate growth. Global/international, regional, sub-regional, national, Mindanao regional and growth corridor actors carried neo-liberal strategies as their major approach. While these state actors have also given attention to poverty alleviation, the strategies used generally focused on infrastructure development, maternal child and health care and literacy projects.

Based on the data gathered, this researcher is tempted to say that there is an agreement, in fact, compatibility in the development agenda of the State actors in Mindanao's growth areas. The WTO³, APEC, AFTA, ASEAN⁴, BIMP-EAGA⁵ all advocate the open market economy and accelerated economic growth as vehicles for development. A country such as the Philippines that has been driven towards an export-oriented economy for centuries accommodates this development agenda and applies it to Mindanao through a spatially defined growth strategy. It is not, therefore, difficult to

¹ Refer to the appendices for the overview on the development agenda of the actors included in this study.

² According to Wilfred David, The Conversation of Economic Development: Historical Voices, Interpretations and Reality, (New York: M. E. Sharpe, 1997) pp. 45-59, basic neo-classical or neo-liberal economic perspectives rest on the "assumption of a ubiquitous scarcity of resources relative to human wants and needs. Therefore, all societies and individual economic agents must constantly make decisions about the relative degrees of sacrifice that must be borne if resources are to be allocated efficiently among alternative uses. This calls for rational choice in the use of available resources". Growth models reflect neo-liberal perspectives that "single out the pivotal role played by production and utilization of knowledge, ideas and information flows in the growth process".

³ See WTO/AFTA Advisory Commission, Understanding Globalization, WTO, APEC, and AFTA, (January 1999), Clarete, Ramon, Trade-Related Problems and Issues in Philippine Agriculture, Monograph for Consultative Sessions on WTO Renegotiations (1999) and Chio-Javelosa, Joy, Emerging Issues for the Next Round of Negotiations, Paper presented at the General Santos Consultative Session on WTO Renegotiations (July 21, 1999)

⁴ See www.asean.org

⁵ See www.eabc.org, www.brunet.bn, and AFRIM, Globalization and Regionalization: A Baseline Study on BIMP-EAGA, *Mfocus*, Volume 15, No.2 (1998)

observe a layering of the global economic restructuring from the global to the level of national growth corridors.

Forms of external assistance, even as they incorporate more social dimensions of development, are often in aid of growth strategies. USAID, for instance, developed a growth with redistribution program (e.g GEM) while other donor agencies (i.e. Canada, European Community) preferred to use the redistribution with growth approach⁶. Projects that cater to social welfare and responsive to basic human needs were believed to precede any growth in an area like Mindanao. On February 2000, the 160 Official Development Aid (ODA) projects in Mindanao were reviewed by donor agencies themselves for their effectiveness. Capability building and good governance were also among the major strategies of USAID's Governance and Local Democracy project (GOLD)⁷ and CIDA's Local Government Support Program (LGSP)⁸. As a result, a shift in strategies is encouraged to give more attention to poverty alleviation and reduction rather than give more priority to growth strategies.⁹

Among the Philippine State actors, only those at the local level were more interested in explicitly using sustainable approaches development (i.e. sustainable agriculture and community-based sustainable tourism)¹⁰ and poverty alleviation as major approaches to development¹¹. Local government development plans are more assertive at pursuing more sustainable paths to development first before thinking about growth. This may either have been the influence of capability building and good governance initiatives of donor agencies or it can be a manifestation of resistance to growth strategies used for the development of growth areas. This is not to say, however, that regional or national level programs are devoid of the sustainability component. There are, rather, more

⁶ See Briefing Papers, Local Government Support Program southern Mindanao Region, CIDA Project No. 734/6069 and Vivien Escott, *CIDA in Mindanao*, Paper read in the Mindanao Investment Forum (July 6, 1999) for instance.

⁷ USAID, on the Philippines, www.usaid-ph.gov/ogp/; *USAID '98: Program Performance Overview*, www.info.usaid.gov/pub/cp98/progrview.htm (22 September 1999) and *Governance and Local Democracy*, www.usaid-ph.gov/ogp/gold.html, (13 October 1999)

⁸ LGSP, Kadayawan 98, *Your Guide*, Volume 1 No. 8, (August-September 1998)

⁹ Philippine Daily Inquirer, www.inquirer.net, 1 February 2000.

¹⁰ See the Kaputian Local Development Planning Committee, *Municipal Comprehensive Development Plan* (1998) Kaputian was once the biggest municipality of Samal prior to being transformed into a City.

¹¹ See the General Santos City Development Plans at www.mindanao.com for the City's Planning and Development Office

direct strategies at sustainability described for implementation at local level development plans.

Table 6.1. Summary of Approaches to Development

Global/International	Neo-liberalization Growth with Redistribution Redistribution before Growth Human Basic Needs Poverty Alleviation Capability Building Good Governance Sustainable Development Gender and Development	Growth Poverty Alleviation Good Governance	Human Basic Needs Islamic state in Mindanao
Regional	Growth Security Free Trade		Increased people to people exchanges Increased awareness of regional and global issues Participatory Development
Sub-regional	Growth Free Trade	Growth Increased Investments More Markets for Goods and Services	Sustainable Development Participatory Development Cultural Integrity Protection of national sovereignty Recognition of ancestral domains Policies and guarantees that promote and protect basic human rights
National	Growth Increased Investments Food Security Free Trade	Growth	Sustainable agriculture
Mindanao Region	Growth Increased Investments	Growth Increased Investments More Markets for Goods and Service	Peace and Development Poverty Alleviation Participatory Development Good Governance Cultural integrity Respect of ancestral domains Policies that promote and guarantee basic human rights Islamic state in Mindanao

Growth Corridors	Sustainable Growth	Growth with Redistribution	Human Basic Needs
Local	Growth Growth with Redistribution Increased Employment Increased Productivity Poverty Alleviation Sustainable Agriculture	Growth with Redistribution Security	Human Basic Needs Poverty Alleviation Participatory Development Sustainable agri-tourism Sustainable agriculture

For those critical of the business sector it is rather difficult to imagine that capitalists can be altruistic¹². Development approaches by the business sector in Mindanao from the international players (e.g World Bank) and local level (e.g. RD Fishing and SOCPA), however, reveal that social transformation can accompany growth interests. How such plans and visions are implemented on ground is another question. Business councils from the sub-region and the Mindanao region, on the other hand, are more inclined to use investment-promotion and business-matching as major development strategies¹³.

On the other hand, participatory development, the human basic needs approach, and human rights (i.e. self-determination, parity and economic equity) are the more common thrusts in the development agenda of civil society organizations. While participatory development and human rights are more advocated by the supra-local level NGOs, those working within the growth areas are more focused on social welfare initiatives. Sectoral interests can also be gleaned from development approaches. For instance, sustainable agriculture is the development agenda of traditional farmers¹⁴ whereas access to health care has become the primary advocacy of a social health NGO. There are other civil society organizations, however, that offer a broad range of services (e.g.

¹² See brochure of Kusog Mindanaw, The General Santos Journal, www.mindanao.com/gensan/index.html (27 December 1999), the episode of ABS-CBN General Santos City on "Fishing for Disaster: Sex in GenSan" (1999), and Karen Emmons, Corporate Misfits on a Mission in Mindanao, *Asia Money*, November 1996. Read Stiglitz, Joseph, Participation and Development: Perspectives from the Comprehensive Development Paradigm, <http://www.democracy-market.org/index1.html>, 1999 explaining the possibility of aiming for economic growth and social development.

¹³ See *Project Brief Mindanao Investment Forum*, 7 July 1999, Philippine Chamber of Commerce and Industry, *Business Match*, June 1999 and www.eabc.org

¹⁴ Conference Proceedings, Regional People's Conference on the BIMP-EAGA, April 27-28, 1998, Davao City and, Food Security and Agrarian Reform, compilation of BANTAAW Economic and Social Indicators

technical assistance in governance, agriculture, tourism) like TACDRUP that use multiple development approaches.

The major cross-cutting themes in the development approaches in Mindanao's growth areas include economic growth, governance, infrastructure development and environment. Those that have direct impact on lives of ordinary citizens like health, education, poverty alleviation were on small-scale peripheral activities. It has also been noted that issues of gender and development are not addressed as a major cross-cutting theme.¹⁵ Except for the integration of women in livelihood activities other dimensions encompassing gender issues (i.e. subordination of women, institutional violence, reproductive health, multiple burden, feminization of poverty) are not addressed.

Approaches to livelihood generation were often addressed towards the larger economy and broader economic growth (i.e. banana plantation, incorporation into the industrial labor force, seaweed farming, aquaculture) rather than provision of people's basic necessities that starts on the subsistence level. It would seem that the general idea of development is having much at one given point in time --- in haste. Repercussions of which should have been learned from the recent Asian crisis. Through all these, the economic activities, like communal farming and informal trade, which have sustained many in Mindanao's Moro and *Lumad* (indigenous peoples) population across centuries have been almost totally if not totally disregarded¹⁶.

of Mindanao 1994-1998, and Conference Proceedings, Mindanao Stakeholders' Peace Conference, 23-24 April 1999, Marco Polo Hotel, Davao City.

¹⁵ For instance, see MEDCO, BIMP-EAGA Briefing Papers, (April 1999), Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report, (October 1995-March 1998), Office of the City Mayor (General Santos City), General Santos City Where Everything Works and Nothing Stands Still (1998), General Santos City Economic Management and Cooperative Development Office, General Santos City Facts and Figures, (1999).

¹⁶ Tri-People Consortium for Peace, Progress and Development of Mindanao, 1998 Defending the Land: Lumad and Moro People's Struggle for Ancestral Domain in Mindanao, (Philippines: TRICOM, SNV, ICCO and AFRIM).

B. Divergent Views of Development

1. *The Case of the Moro Struggle and the Peace Process*

On the other hand, development as freedom is at the core of the Moro struggle in Mindanao. Those sympathetic to the cause of the MILF share this vision. However, one has to take the struggle of freedom within the context of Moro struggle to understand this notion of development. This freedom is a basic, unadulterated call for self-determination of a people proud of their historical and cultural identity. Thus, it is very much unlike the freedom reflected upon by Amartya Sen.

Sen argues that unfreedom can come from poverty, tyranny, poor economic opportunities, systematic social deprivation, neglect of public facilities, intolerance and over activity of repressive states.¹⁷ Institutional freedoms are, thus, both the primary ends and principal means of development. Among these freedoms are political guarantees (e.g. right to vote, freedom of the press), economic facilities for production and trade, increased social opportunities, transparency in government and protective security.¹⁸

If the peace and development agenda of the Philippines (i.e. the Six Paths to Peace¹⁹) were to be reflected upon, the institutional freedoms mentioned by Amartya Sen were all incorporated in principle in the major government strategies towards development in Mindanao. The same principles can be sifted from the development strategies suggested by Mindanao NGOs in *Kusog Mindanaw*²⁰. However, the approach as presented by Amartya Sen is devoid of consideration for claims to territoriality (e.g. ancestral domains) and the autonomy to exercise "beliefs, political and cultural structures, systems, knowledge and practices" which are all "integral and interwoven" into the concept of freedom espoused by the Moro struggle.²¹ "Each aspect is a strand that contributes to the whole design. Take any fraction of the strand and the whole

¹⁷ Amartya Sen, *Development as Freedom*, 1997, p.1.

¹⁸ *Ibid.*, p.10.

¹⁹ Office of the Presidential Adviser on the Peace Process, *Toward a Just, Comprehensive and Lasting Peace* (1997)

²⁰ See brochure of *Kusog Mindanao*..

design collapses".²² This freedom is defined in terms of self-determination and assertion of sovereignty.

It is sad to note that other peace and development initiatives in Mindanao will only become mere palliatives to the Muslim population seeking independence. The hope of development workers such as the peace partners in Mindanao may be to find a non-violent path to resolve the differences in the development agenda of the MILF and its sympathizers and the government. As the case may be, either the government concedes to secession or the MILF be won over by development initiatives that are able to deliver immediate, tangible and sustainable benefits to the Muslim population of Mindanao.

Should neither the government nor the movement for Moro liberation concede, a path for peaceful co-existence such as that advocated by *Kusog Mindanaw*²³ and the NGO *Kalinaw Mindanaw* and other agencies working on the culture of peace program²⁴ can be considered an alternative. The said approach focuses on tri-cultural (e.g. Muslim, Christian and *Lumad* (indigenous peoples) and inter-religious dialogue leading to peaceful co-existence. It is, in fact, a strategy that builds a nation in a country so diverse by virtue of its archipelagic nature and historical and cultural multiplicity. Should the government take the given strategy seriously, a new discourse on nationhood that does not marginalize the Moro and the *Lumads* would have to be constructed. After which, launch into a process of marketing nationhood alongside political, social, and economic reform the way neighboring Singapore and distant Canada market the national cultural mosaic to sustain their physical and territorial integrity despite diversities in culture.

It seems rather illogical that the territorial integrity of a State be sacrificed for the purposes of economic growth. Such a trade-off leads to questions about the wisdom of economic growth as an approach to development. Where neo-liberal strategies divide a nation rather than build it up and where these strategies fuel separatist claims to

²¹ Tri-People Consortium for Peace, Progress and Development of Mindanao, *Defending the Land: Lumad and Moro People's Struggle for Ancestral Domain in Mindanao*, (Mindanao: TRICOM, SNV, ICCO and AFRIM, 1998) P.11

²² *Ibid.*

²³ See brochure of *Kusog Mindanaw*

²⁴ See CRS/Philippines, OPAPP, UNICEF, MinCARRD, *Kalinaw Mindanaw, Panagtabo sa Mindanaw*, (UNICEF:1998)

threaten the territorial integrity of a State, what kind of development is the State working towards? In the case of Mindanao, is it a development intended for the people of Mindanao in general or for just a few intently engaged in processes of economic growth?

The case of the Moro's struggle for freedom adds another dimension to the development debate in the Mindanao. Without totally debunking the significance of economic growth to development nor devaluing the development initiatives undertaken by donor agencies, State actors and some NGOs, the data gathered for this study suggests that development has multiple dimensions beyond structures we see or cross-cutting themes originally perceived. The value of each dimension varies from one target area and aggregation of people to another. As multiple dimensions of development (i.e. economic development, governance, environment, security, ethnicity, gender, health, peace, etc.) are woven in an intricate web, no single dimension is without value nor should be regarded with lesser value in any pursuit of development. The case of the Moro struggle reminds us that a deeper understanding of the worldview that drives a particular people to wage a struggle defining their own development is as important as understanding economic fundamentals. This assertion is not entirely new as similar patterns of resistance have arisen in many liberation movements across the globe (i.e. Palestinian and Latin American liberation movements).

2. Large-Scale Development versus Small-scale Sustainable Development

Perhaps, two of the most interesting divergent agendas at play in Mindanao right now are between the use of large-scale mono-cropping of multi-national industries and the sustainable agriculture advocated by traditional farmers²⁵. In General Santos City, a current testing of biotechnologically-developed corn variety is being undertaken by a national government agency and a multi-national company. Civil society organizations along with some State actors have taken the lead in protesting against this mode of

²⁵ A media advisory dated 21 February 2000 from the Southeast Asian Regional Institute Community Education (SEARICE, e-mail at searice@philonline.com.ph) states the following: Farmers in General Santos City and North Cotabato have joined forces with local and national civil society organizations involved in agricultural and environmental issues to file a Petition for a TRO to the Supreme Court to stop the on-going field trial of genetically engineered Bt corn in General Santos City. Cargill-Agroseeds and the UPLB-Institute of Plant Breeding silently started the controversial field trial of Bt corn in General Santos City on 15 December 1999 amidst strong opposition from the local government units, farmers organizations, church groups and non-government organizations."

development for the purpose of securing more sustainable agricultural practices that have benefited traditional farmers for centuries.

C. Convergent Views on Development and Human Entitlements

There seems to be a convergence in the development approaches of neoliberalization between WTO, APEC, AFTA, BIMP-EAGA, the national government, business actors, GEM, EABC and MBC. However, even the government actors do not necessarily agree about development approaches. In the case of the Island Garden City of Samal, national State actors advocate economic growth through neo-liberal strategies applied in a tourism estate that seem to run contrary to the local government's vision of sustained agricultural productivity along with tourism. On the other hand, the development approach of the Davao Gulf corridor is more inclined towards modernization, industrialization, globalization and spatial development. There is a convergence to a certain degree between the approaches of the national government and the Davao Gulf growth corridor agenda. While the strategies of the NGO TACDRUP and local government unit of Samal complement each other in the area of agri-tourism. The latter two actors in development articulate an agreement on economic growth as a sound development strategy but one with restraint, meaning, small-scale and evolving means of economic growth are preferred over rapid and large-scale development projects.

D. Synthesis

Just as there is a strand around which a web is woven, there is a dimension that serves as a critical anchor in critical development. Good governance may be a priority of the government, economic growth by the business sector, conservation by environmentalists, freedom by rebel groups, peace by victims of armed conflict, human rights by those deprived of their entitlements, and poverty alleviation by those marginalized among the population. Thus, approaches to development, diverse as they are, must be applied in the context of particular development needs.

A question, then, needs to be asked. Whose interests are valued in any given development project? If the interest of the majority of the State's citizens is indeed a priority, then, economic growth, conservation, health care, peace strategies and the like

should serve the purpose of securing the entitlements of the citizens. Where in these strategies does the human face of development come in exactly? What entitlements and needs of the local population are particularly addressed by these development strategies?

The same questions are raised about the planned eco-tourism marketed by the local government of Tawi-Tawi, the joint conservation measures at the Turtle Islands and the seaweed venture marketed by GEM.²⁶ Furthermore, drawing from the case of General Santos City, questions are raised as to how the sustained economic growth from the fishing industry addressed the needs of the fisherfolk and workers in the growth area. Did their lot improve?

The multiplicity of development projects in Mindanao's growth areas and the convergence among multiple actors in the governance process do not necessarily translate into development as defined by the projects' target beneficiaries. Neither do the projects necessarily measure up to the standards devised by international organizations like the United Nations that measure development in terms of human development indices (HDI) and not in terms of economic growth. Before the international community, neither economic growth nor conservation of resources is as highly regarded as improved quality of life of a given population as an indicator of development. However, as earlier asserted, despite all the standards set by different actors in development governance, the ultimate judge of whether development has really happened are the target beneficiaries of development projects themselves.

²⁶ See the Turtle Island Heritage Protected Area, www.oneocean.org/ambassadors/track_a_turtle/tihpa/pti.html, (1999) World Wildlife Federation, www.wwf-phil.com.ph/home/htm, (1999), Kabang Kalikasan ng Pilipinas www.philngo.com/wwfi.htm, (1999) and Growth With Equity in Mindanao Program, *Mindanao Development*. Mid-Term Report, October 1995-March 1998.

Chapter 7. Modes of Engagement in Development Governance

The following matrix is an attempt to examine the mode of engagement between development actors at a multi-dimensional level. It is also an attempt to provide a more discriminating tool in looking at varied modes of engagement. For instance, linkages and interactions are distinguished. It is possible for two or more actors to interact in any development arena without necessarily being linked. An example is the biotechnology corn testing controversy in General Santos City that generated a media interaction between the State, business and civil society¹. However, there is an absence of a linkage between these actors to actually provide an avenue for negotiations over their divergent development agendas.

The table reflects a strong State-State interaction and an enhanced State-business linkage and interaction on matters relating to the economy and its governance. What is interesting is that this study shows that even the State actors cannot be seen in uniformity. In a system of layered governance, competition, rivalry and divergent development agenda is manifested in local-regional-national State actors² interaction. A case to point would be the comparative development agenda of the national government from the local government in the island of Samal³.

A dimension is the linkage between the State and business sector has recently been added with the reported clandestine anti-rebel group being constituted, financed and organized by the local government and business leaders in Southern Mindanao. The bold move from local level State actors and business leaders was a response to the perceived inefficiency of the national government to handle the Muslim rebellion in Mindanao that has been affecting the growth areas.⁴

While many State development agenda are convergent, these do not necessarily translate to an improved governance. It appears that the collaborative relationship

¹ Refer to the footnote in p. 56 of this paper for the media advisory of SEARICE on the bt corn testing

² See Appendix for a more detailed description of development initiatives in Mindanao's growth areas by different actors.

³ The Municipal Development Plan of 1998 for Kapatian, drawn before the elevation of the status of Samal as a city, indicates strong preference to sustainable agriculture in contrast to the large-scale tourism ventures such as the currently ongoing project on the Samal Island Tourism Estate.

⁴ Clandestine Anti-Rebel Group Forming in the South, *Philippine Daily Inquirer*, 4 March 2000.

between supra-national and national State actors have actually led to a gradual withdrawal of the national State from its socio-cultural and ecological responsibilities with supra-national donor agencies assuming many of the traditional role of the national government to provide social services to its people. Take for instance, take CIDA's role in the delivery of basic social services, US-AID's assistance for health research, and GTZ's community-based health programs.⁵ In effect, the national government has been transformed to an investment promotion and policy support facilitating body in behalf of neo-liberalization while serving as a coordinating agency for development efforts of other non-government actors with the government.

On the other hand, in the context of the BIMP-EAGA process, the civil society seems to have been marginalized from the dynamic interaction between the State and business. And though the civil society organizations have increased role in social service delivery, many of them actually serve as service implementors of donor aided projects. In other words, their services are contracted out to donor agencies. Thus, the autonomy of some of these civil society organizations to stand as counter-hegemonic forces to global restructuring processes might be in question.

The matrix shows that beyond the State-driven economic agenda for development, there is very little engagement among business actors in varied dimensions of development (i.e. health, environment). Beyond the business-matching, enterprise development and human resource upgrading, the members business sector does not have collaborative or cooperative mechanisms among themselves to initiate engagement in other dimensions of development that do not directly affect their economic interests.

There seems to be very little linkage as well between the civil society and the business actors on many dimensions. Thus, the civil society may critique business for all it wants, but it has not actually engaged the business sector in a negotiated process to evolve a more comprehensive development plan that would be sensitive to human security

⁵ See Vivien Escott, CIDA in Mindanao, Paper read in the Mindanao Investment Forum, July 6, 1999, MEDCO Secretariat, ODA Updates in Mindanao, third Quarter of 1998, ARD, Philippine Local Development Assistance Program, www.ardgold.org/Partners.htm, USAID, on the Philippines, www.usaid-ph.gov/ogp/, SHINE, SHINE Project, www.shine.org.ph/home/club.htm

issues. In the same light, such direct linkage cutting across the State, business and civil society actors in Mindanao is also absent.

The following figure shows the general relational trend between the State, business and civil society organizations in Mindanao.

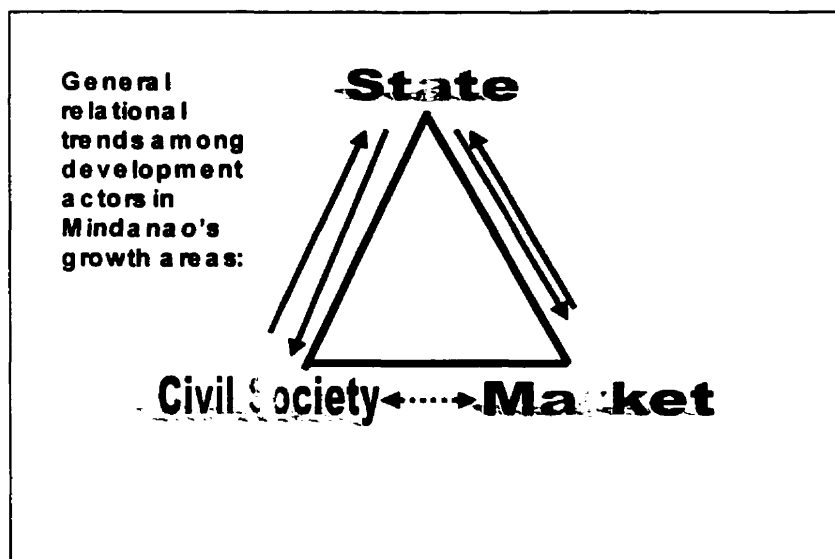


Figure 7.1. General Relational Trends Among Development Actors in Mindanao's Growth Areas

Table 7.1. Modes of Engagement in the Growth Areas of Mindanao

Development Actor	Dimension of Development	State Actors	Level of engagement in the governance process	Level of Linkage and Interaction	Business Actors	Level of Linkage and Interaction	Level of engagement in the governance process	Civil Society Actors	Level of Linkage and Interaction	Level of engagement in the governance process
STATE	Economic	Complement any (WTO, AFTA, BIMP-EAGA)	1,2,3,4	HL-HI	Cooperation (BIMP-EAGA and EABC, MEDCO and MBC, City government and CCI)	3457	HL-HI	Contracting (Donor agencies, NGOs like SHED, BMWF)	147	ML-HI
		Cooperation (BIMP-EAGA WORKING GROUP)	34	HL-HI	Cooperation (High level cooperation to link engineering programs)	1357	HL-HI	Self-managing (IE/RTM/JAC)	2,3,4,5,7	HL-HI
		Competition (National programs and local development agenda)	47	ML-LI						
		Cooperation (Donor agencies, NGOs, and private firms)	1,47	ML-LI						
	Governance	Cooperation (CIDA's LGSP and USAID's GOLD projects)	1,7	ML-MI	Collaboration (CIDA's PEARL project with MBC)	1457	HL-HI	Rivalry (Gov't, MEDCO, KMP, TACDRUP, KUSOG, MINDANAW)	3,4,5	NL-MI
		Disrupted Authority (Local level institutions, GSO)	4,5,6,7	HL to ML, HI to MI						

Development Actor	Dimension of Development	State Actors	Level of engagement in the governance process	Level of Linkage and Interaction	Business Actors	Level of Linkage and Interaction	Level of engagement in the governance process	Civil Society Actors	Level of Linkage and Interaction	Level of engagement in the governance process
STATE	Capability Building	Cooperation (CIDA's LGSP)	1,4,7	HL-HI	Complementary (GEM initiatives for enterprise development)	147	ML-MI			
	Environment/Resource Use	Cooperation (USAID envt conservation CIDA's envt.mol)	1,4 and 3,4	HL to ML HI to MI	Complementary (GSC Investment Code)	7	ML-MI	Contracting (USAID and WWF/KKP)	1-7	HL-MI
		Rivalry (Shed, Commerce and...)								
		Contracting	1,4	HL-HL						
	Security	Cooperation (until recently Rivalry (use of new local armed force))	4,5,6,7	HL-HI	Self-mobilization (SOCOPA's purchase of patrol dogs)	6 and 7	ML-MI	Rivalry (AFRICOM, USAID, KKP, ABU, SAYAT, ICC)	5	HL-HI
	Gender	Cooperation (LGSP, GEM with local governments)	1,7	HL-HI				Contracting (USAID with KKP, SHED; GTZ with SHINE)	147 or 17	ML-MI
								Contracting (SHED, MAINTANA with local governments)	147	ML-MI
	Ethnicity							Collaboration (Gov't and TRICOM)	145	ML-MI
								Self-mobilization (TRICOM)	5	HL-HI

Development Actor	Dimension of Development	State Actors engaged in the governance process	Level of engagement in the governance process	Level of Linkage and Interaction	Business Actors	Level of Linkage and Interaction	Civil Society Actors	Level of Linkage and Interaction	Level of engagement in the governance process
	Health	Complementary (immunization programs)	1, 4, 5 and 4, 7	HL-HI	Cooperation (RD fishing health check-ups for HIV/AIDS and STD monitoring)	7	Contracting (USAID with SHED, GTZ with SHINE)	147	ML-MI

	Economic	Delegated Authority (by virtue of RAV/180)	6, 7	HL-LI	Collaboration (LGU and business interests in curbing the sale of STD in General Salas CDA Fishing Industry)	4, 7		157	LL-HI
					Collaboration (MEDCO, EABC, MBC)	147	Rivalry		

					Cooperation (MEDCO, MBC Local Chambers of Commerce and Industry)	345, 357			
	Governance				Cooperation	357	Rivalry (TRI-Peoples and National/regional agenda)	457	LL-HI

							Cooperation (MNLJ, GEM and GEM)	45	HL-HI
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	Capability Building						Rivalry (RPC on BIM, EAGA, TAGSIP, EAGU, Bantay)	123, 157	LL-HI
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Development Actor	Dimension of Development	State Actors	Level of engagement in the governance process	Business Actors	Level of Linkage and Interaction	Level of engagement in the governance process	Civil Society Actors	Level of Linkage and Interaction	Level of engagement in the governance process
	Security			Cooperation (SOCOPA)	7	HL-HI	Rivalry	35	LL-HI
	Gender						Cooperation	15	LL-LI
	Ethnicity						Rivalry	157	LL-LI
	Health						Cooperation (SHED AND RD Fishing)	7	ML-LI
	Economic						Cooperation (TACORUP)	17	ML-MI
	CIVIL SOCIETY						Complementary (Church, SHINE)	17	ML-MI
							Cooperation (SEARICE AND KKP)	235	ML-HI
	Governance						Cooperation (TACORUP AND KKP)	235	ML-HI
							Complementary (KUSOG MINDANAW)	235	ML-MI

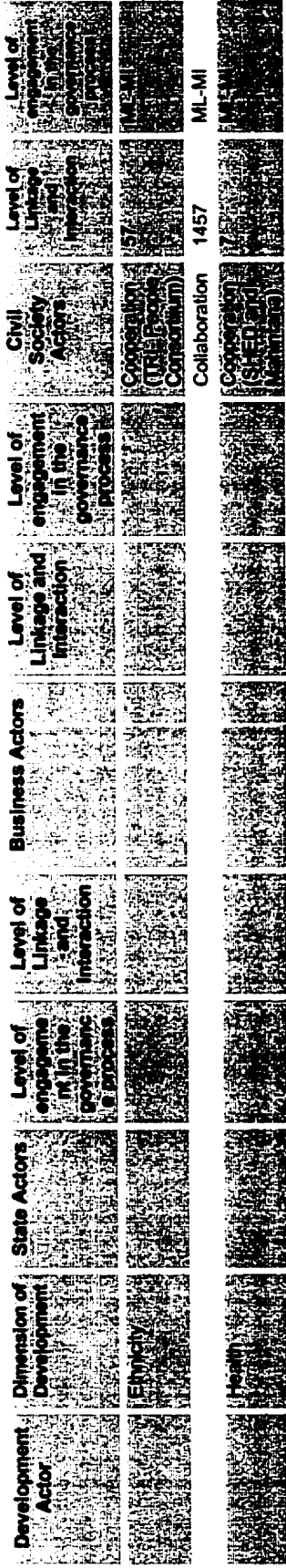
Development Actor	Dimension of Development	State Actors	Level of engagement in the governance process	Business Actors	Level of Linkage and Interaction	Level of engagement in the governance process	Civil Society Actors	Level of Linkage and Interaction	Level of engagement in the governance process
							Competition (Local Indigenous leaders and NGOs)	57 and 7	ML-MI
							Contracting (USAID and KKP)	15 and 17	ML-MI
							Competition		
							Civil Society Actors		HL-HI
							Contracting (WWF and KKP)	15 and 17	HL-HI
							Competition (Philippine Government, NGOs, ROS)	1345	ML-LL
							Competition	1345	ML-LL
							Competition	1345 and 1345	ML-LL
							Rivalry (MILF, MNLF, ICC)	5	ML-MI
							Collaboration (SHED, ABS-CBN, Mahintana)	5	ML-MI

Capability Building

Environment

Security

Gender



Legend	Mode of Engagement	Linkage Levels	Interaction Levels
1 global	Rivalry	High (HL)	High (HI)
2 regional	Competition	Moderate (ML)	Moderate (MI)
3 sub-regional	Contracting	Low (LL)	Low (LI)
4 national	Cooperation	No linkage (NL)	No interaction (NI)
5 national region	Complementary		
6 regional growth corridor	Collaboration		
7 local	Self-Mobilization		
	Delegated Authority		

Chapter 8. Dynamics of Engagement: Creating A Web of Development Governance in a Sub-regional Growth Area

Ensuring that these growth areas serve their purpose is one concern of governance. However, in a political system where multiple actors carry convergent or divergent ideas of development in particular nodal site, the growth area can be constructed and transformed in a form that evolves out of a dialectical engagement between multiple actors in governance. This is a phenomenon that can be currently observed in the governance of Mindanao growth areas that are part of sub-regional initiatives in BIMP-EAGA.

A. Linkages between layers of geo-economic governance in Mindanao's growth areas

1. Spinning The Web: Neo-liberalization and Economic Restructuring in the Philippines

Growth areas are primarily products of the intricate web of economic restructuring. How these State territories are transformed from areas of abode into engines of growth are governance concerns. Economic restructuring that cater to growth strategies are reinforced by the global trend for free trade and open-market economies, and further facilitated by policies of privatization and deregulation. The historical antecedents of centrally planned economies that favor exports as a viable strategy for growth further reinforce the inclination towards economic reorganization that leads to participation in global trade.

Philippines has long supported the institution of a rule-based trading system forwarded by the likes of the General Agreement on Tariffs and Trade (GATT) and has not hesitated to support the WTO since its inception.¹ With an export-driven economy for the past four centuries, Philippines has long been entrenched in the global economy.

¹ WTO/AFTA Advisory Commission, Understanding Globalization, WTO, APEC, and AFTA, (January 1999), Clarete, Ramon, Trade-Related Problems and Issues in Philippine Agriculture, Monograph for Consultative Sessions on WTO Renegotiations, (1999), Chio-Javelosa, Joy, Emerging Issues for the Next Round of Negotiations, Paper presented at the General Santos Consultative Session on WTO Renegotiations, (July 21, 1999)

Thus, the government did not at all restrain itself in taking part in trading blocs such as the APEC and AFTA despite resistance from civil society organizations (CSOs).

APEC provided the avenue for access to Asia-Pacific markets and goods and services deemed necessary for the growth in the Philippine economy. Open trade, investment facilitation, and economic and technical cooperation were the strategies towards improving economic and social well-being of a country like the Philippines. AFTA, on the other hand, aims to boost intra-regional trade and become a significant trading bloc in the commitment negotiations of ASEAN countries in both APEC and WTO.²

Within ASEAN and APEC there was then an assertion of Asian values and Asian communitarian capitalism as more viable alternatives to Western capitalism.³ Thus, facilitation of intra-ASEAN trade took precedence in the ASEAN agenda. Using historical links and cultural and geographic proximity, Southeast Asian States were establishing growth polygons of cooperation and complementarity to encourage intra-ASEAN trade and facilitate growth. Malaysia and Indonesia were already involved in growth areas: the IMT (Indonesia, Malaysia, Thailand) and the SIJORI (Singapore, Johore, and Riau) growth triangles. Philippines had yet to be actively involved in a sub-regional economic cooperative arrangement.

APEC was not necessarily put on hold, however. APEC's goal of open economic trade and investment was compatible with AFTA despite differences in cultural approaches. Its principles of liberalization and facilitation covered comprehensiveness and WTO consistency that, in a way, facilitated the enforcement of WTO regulations in Asia-Pacific trade. The viability of AFTA was, however, more attainable in more practical terms than was APEC given the political and economic conditions of ASEAN states in the 1990s.

Thus, for the Philippines, priority was given to the commitments it made to both AFTA and WTO. A WTO/AFTA advisory commission⁴ was established in the Philippines

² WTO/AFTA Advisory Commission, *Understanding Globalization, WTO, APEC and AFTA*, (Republic of the Philippines: Office of the President, January 1999).

³ See Aihwa Ong 1999, *Flexible Citizenship: The Cultural Logic of Transnationality*, Durham and London: University Press and Mark T. Berger, January-March 1998 *A New East-West Synthesis? APEC and Competing Narratives of Regional Integration in the Post-Cold War Asia-Pacific*, Alternatives (India: Lynne Rienner Publishers with the Center for the Study of Developing Societies) Volume 23, pp.1-28

⁴ Ibid.

simply to coordinate efforts to facilitate compliance to AFTA/WTO commitments and to prepare the economy for its eventual regional and global integration.

The lack of more attractive economic policies in the Philippines coupled with political instability had driven investors from the Philippines in the 70s and 80s. Lagging behind the tiger economies of East Asia and Southeast Asia, Philippines had to formulate sound economic reforms whose soundness depended on its attractiveness to foreign investors. It was part of the government's thrust to liberalize the country as part of the economic restructuring process required by donor agencies like the World Bank/IMF with the transition from a dictatorial to a democratic regime of government.

Liberalization is to serve the purpose of keeping the economic fundamentals of the country attuned with the growing global economy. This process of economic restructuring leading to liberalization started almost two decades ago and had been a continuing process ever since. It was as if the only path of Philippine's economic sustainability was to be ultimately integrated in the global system. It has been advocated by the national government that regional trade complements global trade. The Philippine's membership in a regional trading arrangement like AFTA will translate into increased chances of industrialization, trade, investment expansion, and infrastructure development. All these will secure the country a more significant place in any new world trading arrangement.⁵

With the pressure of global integration, the Philippine government passed policies such as the Omnibus Investment Code of 1987 and the Foreign Investment Act of 1991 (See appendix for salient points of the said laws). Tax holidays, 100% equity participation, capital repatriation, remittance of earnings and rights of succession were among the policies passed to lure more investors to participate in the government's design of countrywide development and regional dispersion of industrialization. As if these were not enough, the government offered additional incentives to the setting up of regional headquarters by multi-national corporations by amending the Investment Code in 1999. Such policies according to Graham Todd⁶ who did a study on the governance of Toronto

⁵ WTO/AFTA Advisory Commission Brochure, 1999.

⁶ 1998

in Canada as a growth area were often done to adjust the government's core business and economic fundamentals to the market demand.

2. The Economic Transformation of Mindanao

The marketing of Mindanao as a possible investment site and engine of economic growth for the country was simultaneously done with the creation of BIMP-EAGA and the ongoing negotiations in the APEC, AFTA, and the WTO. A national program encouraging countrywide development was used as a basic framework to introduce the idea of growth corridors, or special economic zones as commonly referred to, in Mindanao as well as in other parts of the country. A program of regional dispersion of industrialization was facilitated by the national government's program of agri-industrialization, which designated certain areas as agri-industrial centers from the regional to the district level, and the construction of export-processing zones in key points in the country. Agri-industrialization was a legacy of the Aquino government and was carried over by the next president, Fidel V. Ramos.

Under Ramos' development agenda, economic growth became of the utmost priority. A decentered approach in economic development was encouraged. Thus, the country was then strategically configured, designating economic corridors with multi-nodal sites from Luzon to Mindanao. Ramos was said to have encouraged the formation of BIMP-EAGA, a vehicle for trade complementation and cooperation, to further encourage economic growth in Southern Philippines. The Mindanao growth corridors became the country's link to the BIMP sub-region's markets. So, along with the vision of Mindanao development came the favorable set of macro-economic policies for investors, prioritization of accelerated economic growth for Mindnadano, increased budgetary allocations, and a peace and development agenda.

Mindanao proved to be a promising development area given the wealth in natural resources, the rare occurrence of typhoons and earthquakes, strength of the labor force and vast tracks of undeveloped land. The major hurdle towards this development is the internal conflict between government forces and the Moro rebels. Thus, the peace process was pursued and a peace agreement was signed between the major Moro rebel group, Moro National Liberation Front, and the government in 1995. To make a point

about the promise of security in Mindanao, then president Fidel V. Ramos often exited and entered the Philippines through Mindanao during his official foreign trips.

General Santos City, the Island Garden City of Samal and Tawi-Tawi were among those designated as global gateways and growth areas due to diverse reasons as earlier presented. However, they were primarily chosen because of the promise of growth from utilizing their natural resources, i.e. fish, land and white sand beach, and seaweeds.

Economic restructuring was accompanied by infrastructure support that boosted a growth area's competitiveness through increased efficiency from infrastructure development. General Santos City benefited the most from this strategy. With the help of donor agencies like USAID and JICA, road networks, an international airport, a seaport, and a sprawling fishing complex were built in aid of the "boom" that came from fishing. The Island Garden City of Samal was beneficiary of the road networks and water system within the designated Samal Island Tourism Estate. The DIDP has also designed an integrated infrastructure program which includes a transportation artery system to enable Samal Island to attain the status of an urban growth center and maximize its potential as a special economic zone (SEZ). Tawi-tawi, however, was not as fortunate to get maximum infrastructure support from the national government. Nevertheless, improvements in the telecommunications system and a renovated airport marked Tawi-tawi's status as a promising growth area.

General Santos City's development was also reinforced by an enterprise development/investment promotion program undertaken by the local government unit, by the USAID-funded program GEM and by the business sector. Similarly, investment promotion was undertaken by the decentralized national Department of Tourism in behalf of the tourism estate and its primary investor Ekran Berhad who runs the Samal Casino Resort. GEM also assisted in investment promotion in Tawi-tawi. However, its promotion strategy was more focused on seaweeds whereas the local government of Tawi-tawi focused on tourism possibilities.

3. *Weaving Another Design: Local Interpretations of Economic Development*

Graham Todd writes that global challenges in a market-driven economy "affect the capacities of the local actors and their ability and willingness to "rewrite" the regulatory framework for local development in their own interests".⁷ The increasing awareness among local State and non-State actors in General Santos City of the City's vulnerability as a growth area, served as a catalyst for the formulation of a City Investment Code. The City's code differs from that of the national code in the sense that it lays out an agenda that was deemed more appropriate to the City's chosen pace of development. The City government passed an ordinance that provided investment incentives for labor-sensitive and ecologically-responsible investors. The crafting of the investment code was deliberated by government, business, and basic sector (e.g. women, urban poor, labor, environmentalists) representatives.⁸

Furthermore, General Santos City did not immediately join the bandwagon of constructing a Special Economic Zone and freeport specially for manufacturing and export processing as was done in other growth corridors in the country. Zoning is advocated by concerned members of the civil society engaged in an electronic group discussion on the developments in General Santos City. Members of the e-group either work for NGOs and the government in the SOCSARGEN Area.⁹ The zoning proposed is in relation to the proposed bill creating a Special Economic Zone in General Santos City (House Bill No. 1523) to curb an urban sprawl that may mimic the environmental decline of the likes of Cebu and Bulacan in Luzon.

Non-State actors have been diligent at lobbying for the privileging of more resource-based industries in the economic zone to guarantee the protection of the environment and to avoid importation-dependent manufacturing industries. Instead a resource-based industrialization utilizing General Santos City's productive commodities for value-added manufacturing is encouraged. Moreover, in the hope to ensure food security within a region that seeks to be integrated in the world economy, General Santos has opted to

⁷ Todd, Megacity: globalization and governance in Toronto, *Studies in Political Economy*:56, (1998),p.196.

⁸ See specifics of the General Santos City Investment Code at the web page of the City Planning and Development Office in www.mindanao.com

⁹ The SOCSARGEN e-group is hosted at www.mindanao.com

focus on the food industry rather than large-scale manufacturing of electronics, heavy equipment and garments or mining.

As this thesis is being written, a food congress has been scheduled to take off in General Santos City which is organized by the City's Chamber of Commerce and Industry, a non-State entity. Among the issues to be tackled in the program of the food congress are the following: "The Impact of GATT-WTO in AFTA Implementation; Corporate Farms vis-a-vis CARP (Comprehensive Agrarian Reform Program); Role of the Local Governments in the Food Security Program; Role of the Church in attaining and Sustaining Food Security; Presidential Flagship Programs and Projects; Status of Philippine Business after the Currency Crisis; Buyers Forum; Potential Market of Philippine Products in Key Countries; and Private Sectors as Partners in the Food Security Agenda."¹⁰

In addition, to further secure an industry from increasing territoriality in a competitive global economy, fishing companies and association of purse seiners in General Santos City sought representation in the high level negotiations between States in the Pacific on international tuna management regulations. The delegation has so far successfully lobbied for pro-rated quota system that is sensitive to the fishery-dependence of archipelagic States like the Philippines and Indonesia. Furthermore, they have also lobbied for an easing in the technological requirements imposed upon fishing vessels considering that many of General Santos City's fisherfolk using Philippine-crafted pumpboats will be disadvantaged.¹¹

In the recent World Economic Forum at Davos, Switzerland, rising importation and weakening export industries have been cited as factors in the decline in the growth of developing countries.¹² The cautious stance of non-State actors among General Santos City takes on a precautionary means against the negative impact of rapid and large-scale industrialization and trade liberalization. The intent of non-State actors to participate in international deliberations concerning their affairs (i.e. case of the fishing

¹⁰ Message from the SOCSARGEN e-group list and forwarded from the General Santos City Chamber of Commerce and Industry received on 15 February 2000.

¹¹ *Business World*, Flexibility in International Tuna Catch Regulations Pushed, <http://bworld.com.ph>, (23 November 1999).

¹² Martin Khor, Liberalize Trade? Yes and No, *International Herald Tribunal*, (31 January 2000).

industry), served the purpose of protecting their access to fishing grounds amid the increasing territoriality in the global economy. What is interesting about the governance of economic development in General Santos City is the synergy among multiple State and non-State actors. Though some relationships may be dialectical in nature (e.g. the critique of the Church against economic restructuring, the resistance of civil society groups against an export processing zone that comes in conflict with the growth area's food security agenda), the engagement yields a synthesis that weaves dissenting concerns into the entire economic transformation of General Santos City.

On the other hand, the Island Garden City of Samal has yet to craft a regulatory framework independent of the DIDP and the Samal Island Tourism Estate. The City has so far been holding on to the agenda laid down by then municipality of Kaputi-an for sustainable development through agricultural productivity and tourism. Tawi-tawi, on the other hand, has yet to tap the legislative potential found in the Local Government Code of 1991 to formulate their own local development agenda independent from that of the national government and USAID's programs.

3. Development by the Hemline: The Role of "Other" Non-State Actors in Economic Development Governance

To the informal economic sector in Mindanao, economic restructuring by the State bears little significance. However, the opportunities that spring from the ease in cross-border arrangements of goods and people through economic restructuring have become opportunities to access cheaper goods to be sold in the "underground" economy. Many of Mindanao's seafaring traders who cross borders have had trading ties in islands of Indonesia, in Malaysia, and Brunei Darussalam.

The lack of policing in BIMP-EAGA waters made free-trade more real for small-scale traders especially in border territories like Tawi-Tawi's islands. The Consul of Manado of Indonesia has already complained of reported cases of subsidized Indonesian goods,

only allowed to be sold in Indonesia, finding their way into Mindanao markets through Philippines traders.¹³

The entrepreneurial spirit of Mindanao's small-scale traders actually run in parallel, though often undetected, unrecognized and unregulated, with BIMP-EAGA economic restructuring initiatives. However, in their case, the benefits of cross-border trade have more direct economic benefits compared to large-scale government and business-sector mediated trade initiatives.

B. Linkages in layers of geo-political governance

As already suggested above, sub-regional development governance spins an intricate web. The economic restructuring involving Mindanao created new forms of governance institutions designed to enable the ease of achieving the end ends of development. Reforms in the economic fundamentals of the government demand better administrative mechanisms to facilitate development. According to Jessop, economic restructuring creates "various forms of political coordination which not only span the public-private divide but also involve 'tangled hierarchies', parallel power networks and other forms of interdependence across different tiers of government or different functional domains".¹⁴ Graham Todd would say that these new forms of governance institutions that spring from economic restructuring are designed to implement or influence the political economy.¹⁵

1. The Sub-Regional Administrative Coordination

The sub-regionalization of Mindanao indeed gave rise to new forms of governance institutions. However, these were not confined to government institutions alone. To facilitate cross-border linkaging among State actors within the sub-region, the BIMP-EAGA working groups (see appendix for details) were designated to address specific

¹³Konrad Adenauer Foundation and Technical Assistance Center for the Development of Rural and Urban Poor, Conference Proceedings: Conference on the Future on BIMP-EAGA in the Face of the Asian Economic Crisis, Davao City, Philippines on November 9-10, 1998

¹⁴ in Ngai-Ling Sum, *Cross Border Sub-Regionalism in East Asia: Some Implications for the German-Polish Border Region*, *Emergo* (Winter 1998)

¹⁵ Todd, 1998, p.198

cross-border issues (i.e. fisheries cooperation, capital formation, border crossing, tourism, agri-industrialization, environmental management among others).

To facilitate cross-border business networks, the East ASEAN Business Council (EABC) was organized. It currently remains as the only institutionalized organization in BIMP-EAGA that gives direction to sub-regional cooperation.¹⁶ The EABC is represented in the Senior Officials Ministerial Meeting (SOMM), the coordinating body of States in BIMP-EAGA. EABC also secured a linkage with the US-ASEAN Business Council. (See appendix for a more detailed listing of strategies by development actors)

With the civil society organizations (CSOs) unrepresented in the official BIMP-EAGA organization, CSOs in the sub-region organized themselves into a Regional People's Forum on BIMP-EAGA to discuss and act on issues in the sub-region that affect local communities and furthermore, to advocate CSO participation in BIMP-EAGA official networks. The Regional People's Forum has also established links with the Thailand-based Forum on Global South which has already established a more global reach.

2. The Sub-Regional and Mindanao Networks

The sub-regional level and Mindanao links with the creation of the Mindanao Economic and Development Council to facilitate investment promotion and coordinate development projects in Mindanao. MEDCO holds representation in the BIMP-EAGA working groups. The market-driven agenda of development designed by the government in Mindanao necessitated links with the Mindanao Business Council that arranges business-matching conferences with foreign and local investors alike.¹⁷ In such conferences, local government officials make impressive computer-aided presentations that were often prepared with the assistance from Growth with Equity Mindanao (GEM).

On the other hand, CSOs in Mindanao localize their advocacy through groups like *Kusog Mindanao*, a convergence of Mindanao NGOs and POs that stress the importance of

¹⁶ Konrad Adenauer Foundation and Technical Assistance Center for the Development of Rural and Urban Poor, November 9-10, 1998.

¹⁷ Prior to the Asian economic crisis, investment promotion and business matching often targeted foreign investors from within and outside of the sub-region. The crisis, however, reduced significantly the

shared leadership among the government sector, business sector and civil societies. CSOs argue that the government currently sets the direction for areas of cooperation and service delivery. Furthermore, because BIMP-EAGA initiatives are too economic-focuses it privileges the participation of the business sector and marginalizes the CSOs.

3. Local Administrative Coordinating Points

a. General Santos City

With the passage of the Local Government Code of 1991 in the Philippines, all local governments play a key role in deciding their path to development. Thus, any national government initiative requires appropriate consultation with local governments. In General Santos City, the SOCSARGEN Area Development Project Board, a national government initiated body of the Presidential Flagship Projects, works with local government on matters relating to General Santos City as a special economic zone. The same is true with the Steering Committee on the Growth of the Fishing Industry which is also a body organized by the Office of the President.

GEM also has dynamic development agents in General Santos who act as major investor promoters and business coordinators working with the business community (e.g. Chamber of Commerce and Industry) and local officials. There are NGOs like the Notre Dame Business Resources Foundation, Inc. (NDBRFI) monitoring economic development in General Santos City and provide alternative business resource data base. The purse seiners of General Santos City have also organized themselves into the Southern Cotabato Purse Seiners Association to help address and manage the issues confronting the growth of the fishing industry.

The case of General Santos City manifests the phenomenon of growth area governance discussed by Graham Todd. In analyzing governance of growth areas he wrote, "practices of administrative coordination outside the directly elected offices of

pursuance of business ventures within BIMP-EAGA. Thus, in 1999, MBC and the business community in Mindanao focused their attention on local investors from other islands of the Philippines.

government" are "occurring either in or between institutions that are part of the wider structures of the State, or between fractions of the State and societal interests".¹⁸

b. Tourism Administration in the Island Garden City of Samal

MEDCO supports the promotion and development of the Samal Island Tourism Estate together with the Department of Tourism's Samal Island Tourism Estate Project (SITEP) body and the Inter-agency Monitoring and Advisory Group for SITEP (IMAG-SITEP). The Samal Casino Resort in the Island is being promoted as a top tourism destination by the BIMP-EAGA Working Group on Tourism which played a significant role in getting the project on-ground. Issues of displacement were addressed by initiating community organizing projects in cooperation with the Davao City-based NGO. The result of such initiatives was the SLS-CARBMCO.

When SITEP was originally conceived, the islands of Samal in the Davao Gulf area were part of the province of Davao del Norte. Dealing with multiple levels of local government made the integration of SITEP into sub-regionalization initiatives complicated. Thus, using tourism investments as justification, the islands in the Davao Gulf have been constituted into a single component city known as the Island Garden City of Samal (IGCS). This kind of political restructuring of local government is a "putative requirement to adapt to the context of competitive global capitalism as a solution which provided clearer and more accountable structure of governance".¹⁹ And since the growth of the tourism industry in the island is affected by development trends in the neighboring islands, the IGCS came together with other local government units in Davao to form the Davao Integrated Development Project (DIDP).²⁰

C. Spinning a Web of Development Governance in Mindanao's Growth Areas

¹⁸ Todd, p. 196

¹⁹ Ibid., p.199

²⁰ DIDP, supported by OECF, focuses on infrastructure development projects (i.e. inter-regional road upgrading, seaport and airport development projects, small water impounding management) and economic projects (i.e. irrigation development; industry revitalization, support programs for agrarian reform beneficiaries). However, they also plan to undertake poverty alleviation and community transformation initiatives and environmental management programs.

1. Donor Agencies and the Peace Agenda

As it is provided in the list of development actors in the appendix of this thesis, most of the State donor agencies working in Mindanao's growth areas are involved in the ongoing peace and development initiatives related to the 1996 peace agreement between the government and the MNLF rebels. Many of their development initiatives are not directly related to sub-regional efforts for economic development, but, in some ways contribute to it. Coordinated donor assistance for Mindanao's peace process is coordinated by the (National Economic Development Authority) NEDA- (southern Philippines Council for Peace and Development) SPCPD- (United Nations) UN System Multi-Donor Program²¹ and monitored by MEDCO. The Multi-Donor Program is said to be a breakthrough in development assistance in the Philippines because local actors like the SPCPD and Region XII's NEDA were given the opportunity to work in partnership with donor agencies in the coordination of the program. UNDP provided the administrative support and SPCPD executed policies in the initial part of the program. Much later, a Program Management Advisory Group (PMAG) composed of representatives from the donor community, the UN agencies, SPCPD and NEDA was organized. PMAG provided strategic direction for the confidence-building initiatives and

²¹ According to the Country Assistance Plan in Philippines published by the Asian Development Bank, the following are the types of development aid delivered to the Philippines through the efforts of the UN: "The UN agencies ¼ United Nations Development Programme, United Nations Children's Fund, and United Nations Population Fund ¼ are active in the fields of poverty alleviation, child welfare, and family planning, respectively. The European Union supports agriculture and rural development. Other multilateral institutions, such as the International Fund for Agricultural Development, the Organization of Petroleum Exporting Countries Fund, Kuwait Fund for Arab Economic Development, and the European Investment Bank, provide co-financing support. Among bilateral donors, German assistance is increasing particularly in the energy, health, rural development, small business, and socioeconomic planning sectors. The United States Agency for International Development emphasizes on Mindanao development and focuses on governance, democratization, devolution and health. The Australian Agency for International Development mainly assists basic education, health and population, and environment, and supports the SRA. France is active in the telecommunications and power sectors. Canada, through the Canadian International Development Agency, supports governance, building private sector capabilities and democratic institutions, NGOs and POs, focusing activities geographically on Western Visayas and Mindanao. Spain mainly supports environment projects, while Netherlands focuses on agriculture, rural development, and nutrition. Denmark (DANIDA) provides assistance in environment projects, while Belgium supports agrarian reform, women's welfare, power and education projects. New Zealand, the United Kingdom, Italy, Austria, Sweden and Norway also provide development assistance to the Philippines. Republic of Korea became a new donor in 1996." At www.adb.org

set program policy directions.²² Implementation of peace and development initiatives is done in SZOPAD area whereas coordination and monitoring are undertaken at Area Management Sites (AMS). General Santos City is one of these nodal points.

The study by Mario Juyo Aguja on post-conflict reconstruction in Southern Philippines discusses in detail the mechanism of donor coordination. The author points out that in the process of implementing development initiatives, donor agencies either directly work as individual group or in a cooperative endeavor in local communities with local CSOs or LGUs.²³ Cooperation often comes in agreed upon funding support but rarely in actual development work on the field. Since, coordination happens at program policy level and not in the actual program implementation, it is the presence of a donor agency that is most visible in the beneficiary area and not the donor community as a whole. Thus, programs are identified as either JICA, USAID or CIDA-supported, for instance, and not as altruistic initiatives from a single donor community. There is, currently, a proliferation of donor projects in the Philippines²⁴.

According to the ADB report on country assistance in the Philippines, there is a consensus among donor agencies "to promote a more equitable sharing of the benefits of economic growth, reducing poverty at a faster pace, and enhancing self-reliance and service delivery capacities of local governments."²⁵ Because of this consensus, cooperative efforts have also been possible through cost-sharing schemes in major development projects. For instance JICA, through OECF, has started to veer away from infrastructure-focused projects and participate in social development programs of the ADB and the World Bank. The latter two have in the past established coordinative efforts in the restructuring of the country's financial system for better efficiency and effectiveness at ensuring growth.

²² Mario Juyo Aguya, *The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community*, www.incore.ulst.ac.uk/esn/joyo.html, 13 August 1999.

²³ Ibid.

²⁴ See Mario Juyo Aguya, *The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community*, www.incore.ulst.ac.uk/esn/joyo.html, 13 August 1999 and ADB, Country Assistance Plan, www.adb.org/CountryAssistance_plans/phicap.pdf

There seems, however, an agreement among members of donor communities about non-duplication of development efforts in target areas. While they may be addressing similar development concerns such as governance, health, sustainable development, and economic growth, donor agencies rarely overlap in terms of target beneficiary areas. For instance, it is USAID and JICA that are more prominent in General Santos City, USAID supports governance, livelihood/entrepreneurship initiatives and infrastructure development. JICA, on the other hand, primarily supports infrastructure development. CIDA provides support for local governance in the Island Garden City of Samal while JICA assists in the broader sub-regional infrastructure development. And while USAID's GEM is providing support in investment promotion and livelihood in Tawi-tawi Islands, GTZ works with local groups to respond to health needs of the local population.²⁶

The study of Mario Joyo Aguja stresses, however, that much of the development aid in Mindanao that targeted communities of people rather than institutions and infrastructure was focused on MNLF communities and ex-combatants at the major stages of implementation. However, despite the multiplicity of projects, the Muslim community have yet to see significant change in the quality of life in many impoverished Moro communities. On one hand, the focus given to MNLF may have also yielded antagonism from those who were not privileged enough to share in the fruits of the peace process but were also victims of the war between Muslim rebels and the government. Because of this, some donor agencies, expanded the focus of their programs to reach out to the broader community rather than focusing on MNLF combatants and their families and communities alone.

While the development initiatives in Mindanao are overwhelming, it is sad to note that many in the Muslim community are disgruntled about the lack of significant impact on the quality of life of the Moro population. Health and livelihood initiatives were at the most regarded as palliatives, whereas, large-scale economic projects were deemed as slow in manifesting trickle-down effects. Such that, the MNLF have been candid at saying that the peace process failed to deliver the promises stipulated in the peace agreement.²⁷

²⁵ www.adb.org

²⁶ Ibid.

²⁷ See ACCORD, *Tripoli Agreement*, www.c-r.org/acc-min/tripoli.htm, 11 April 1999, FEMAS, on the MILF, www.maranao.com/moro-body.htm, Shiek Abu Zahel, *The Moro Jihad: Continuing Struggle for Islamic Independence in southern Philippines*, www.islam.org, Bangsamoro NGOs and POs,

2. Donor Agencies and Development Governance on the Ground

The strategy of engaging with local actors brought donor agencies to basic levels of governance. USAID's GEM, for instance, negotiated with local chieftains (datus) and their communities, cooperatives, and ex-combatants to start the program on Emergency Livelihood Assistance (ELAP). The program encouraged the participation in economic growth. By starting from the bottom, hope of better equity in the distribution of economic benefits is more attainable. This bottom-up approach complements the large-scale infrastructure and enterprise development happening in the growth areas in general. This case is particularly more real in General Santos than it is in Tawi-tawi where infrastructure development and enterprise development have not yet taken off.

USAID, through GEM, actually works at multiple levels of governance starting from most basic governance level (i.e. village) to the halls of Congress and even participates in higher level negotiations (i.e. Pacific tuna regulation negotiations) on the inter-state level. Of the donor agencies, it is perhaps the most mobile in the development governance arena in Mindanao as it engages with the multiple levels of State actors and business actors. However, its engagement with CSOs tackling BIMP-EAGA concerns are very minimal.

USAID, through GEM, is perhaps the only donor agency who has had extensive development interaction with the Moro population. It has facilitated the integration of Moro farmers (i.e., Tre-Wan Islamic Farmers Multi-Purpose Cooperative) into agribusiness and encouraged the participation of women (e.g. Bangsamoro Women's Foundation for Peace and Development) in the livelihood assistance projects to MNLF communities. Assistance was also given to link the Moro population in the likes of Tawi-tawi to other nodal points in the country through telecommunication and transportation projects.

www.philsol.nl , Fuentes, Winston, 1998 *Negotiating an Agenda for Peace and Self-Rule in Moroland*, MFOCUS, No. 4. And Crescent International, *Bangsamoro Muslim's determination to establish an Islamic State*, March 16-31, 1999.

On the other hand, JICA's and CIDA's engagement are often limited to State actors. GTZ deals with a local NGO but does not engage in policy advocacy that requires close association with the government.²⁸ UKDFID's work in TIHPA allows coordination and engagement with CSOs and state actors at the local level and coordination with the national level²⁹. While donor agency projects can be focused on a single concern like infrastructure across different areas (e.g. JICA) or health (e.g. GTZ). There are donor agencies that cover almost all ground in a nodal point. CIDA, for instance, is involved in local governance, tourism development, delivery of basic service, peace and development, environment upgrading in Davao areas and certain parts of South Cotabato.³⁰ There are those who cover almost all development concerns but are spread all throughout Mindanao (e.g. World Bank, ADB).³¹ There are agencies like USAID who can be both intense and focus in addressing one or two concerns in a nodal point, like economic and infrastructure development in General Santos³², while working on another program at the same time; i.e. the Turtle Islands Heritage Protected Area in Tawi-Tawi.

D. Civil Society and Development Governance

Mindanao has always been known for the dynamism and creativity of its civil society organizations (CSOs). Constraints of the study in accessing more substantial data may not have covered all dimensions of development where CSOs are engaged in³³. Nevertheless, based on the data gathered, sub-regionalization and sub-regionalism

²⁸ Mario Joyo Aguya, The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community, www.incore.ulst.ac.uk/esn/joyo.html, 13 August 1999, ADB, Country Assistance Plan, www.adb.org/CountryAssistance_plans/phicap.pdf and SHINE, SHINE Project, www.shine.org.ph/home/club.htm

²⁹ Turtle Island Heritage Protected Area, www.oneocean.org/ambassadors/track_a_turtle/tihpa/pti.html, (1999) World Wildlife Federation, www.wwf-phil.com.ph/home/htm, (1999), Kabang Kalikasan ng Pilipinas www.philngo.com/wwfi.htm, (1999)

³⁰ Vivien Escott, CIDA in Mindanao, Paper read in the Mindanao Investment Forum, July 6, 1999.

³¹ See ADB, Country Assistance Plan, www.adb.org/CountryAssistance_plans/phicap.pdf

³² Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report, October 1995-March 1998.

³³ As noted in the section on the Scope and Limitation of the Thesis, time and methodological constraints were major limitations of this research undertaking. The researcher had to primarily rely on secondary data which due to factors involving time of publication on hard copy or over the internet may not have covered more current accounts of what the development actors are engaged in.

have not escaped the attention of CSOs.³⁴ And neither have its related phenomenon, the growth areas.

Alliances among CSOs are common in Mindanao where a broader issue needs to be addressed.³⁵ Attempts to further global economic integration have been a concern of NGOs in Mindanao for the last two decades leading some of them to establish national and international linkages³⁶. The BIMP-EAGA initiatives of the State and the business community, however, triggered the constitution of an alliance among Mindanao's NGOs, *Kusog Mindanao*, that brings before the government alternative routes to development through legislative advocacy. A Mindanao-Palawan Peoples Forum on BIMP-EAGA provides a venue to dialogue on the impact of sub-regionalization on small communities of the two major islands. Strategically, a people's forum that spans BIMP allows further dialogue and advocacy on a sub-regional level. It is also meant to manifest a show of CSO force to counter any development strategy detrimental to local communities and to influence sub-regionalization through people to people cooperation. Flow of knowledge on basic rights and entitlements and cultural understanding are facilitated by this regional people's cooperation ---- strategies to development that have been left out in the economically-focused agenda of BIMP-EAGA. BIMP-EAGA follows the ASEAN rule of non-interference in political matters of member States. Cyberspace has become the information highway of the BIMP-EAGA people whose exchanges are constrained by political, economic, and territorial barriers.

However, on the level of the growth areas included in the study, there are NGOs that are not closely linked to sub-regional initiatives or other NGOs. For instance, SHED in General Santos City is confined to the health and environment concerns of the area alone and does not participate in the legislative advocacy of the Mindanao-wide alliance. Similarly, SOCOPA is more focused on the concerns of the fishing industry of the SOCSARGEN growth corridor. SHINE in Tawi-Tawi follows the same trend with a focus

³⁴ See Conference Proceedings, Conference on the Future of BIMP-EAGA in the Face of the Asian Economic Crisis, November 9-10, 1998, Century Insular Hotel, Davao City, Philippines and Conference Proceedings, Regional People's Conference on the BIMP-EAGA, April 27-28, 1998, Davao City.

³⁵ See brochure of *Kusog Mindanao*, Ledesma, Cesar, Attaining Food Security: A Cause For Multi-Sectoral Collaboration, TACDRUP, (April 1999) and Conference Proceedings, Mindanao Stakeholders' Peace Conference, 23-24 April 1999, Marco Polo Hotel, Davao City.

³⁶ See Bangsamoro NGOs and POs, www.philsol.nl, Initiatives for International Dialogue, www.skyinet.net/~iiddvo and Regional People's Forum on BIMP-EAGA, <http://eaga-watch.hypermart.net>

on Social Health Insurance. Among those included in the study, only the TACDRUP in Samal Island have aligned its development agenda with the legislative advocacy of the Mindanao alliance of NGOs. Except for SHINE, all the other NGOs referred to in this section have achieved dynamic engagement with the local government of their area of operation to influence development strategies implemented by the State. Many of these NGOs also work in partnership with donor agencies. SHINE works with GTZ whereas SHED with USAID. TACDRUP, on the other hand, is a partner of *Konrad Adenauer Stiftung* Foundation.

There are also NGOs that are more nationally-based but work on concerns of the growth area. Among these is the *Magsasaka at Siyentipiko Para sa Ikaunlad ng Agrikultura (Masipag)*, an NGO composed of farmers and scientists, who lobby against biotechnology corn-testing in General Santos.

There are also organizations whose concerns are ethnicity-specific like the Consortium of BangsaMoro NGOs and POs in Mindanao, whose secretariat is based at the offices of the Kaduntaya Foundation in Cotabato City but have ongoing programs in the likes of Tawi-tawi. BangsaMoro NGOs are very well connected.³⁷ To facilitate development, they have grown to be more independent of State initiatives and have relied on Muslim and international NGO links. For instance, they are a part of an NGO network known at the Philippine-European Solidarity Center based in the Netherlands. They are also strongly supported by a Saudi Arabia-based federation of Maranao association who manages a website³⁸ providing an information on the Moro struggle. Moreover, they have established links with international Islamic organizations such as the IIRO addressing poverty alleviation concerns of the Muslim population of Mindanao³⁹. It should, however, be noted that the peace process has advanced cooperation between USAID's GEM and many Muslim communities in livelihood projects for both men and women.

³⁷ Bangsamoro NGOs and POs, www.philsol.nl

³⁸ FEMAS. on the MILF, www.maranao.com/moro-body.htm

³⁹ International Islamic Relief Organization, www.arab.net/iiro

Chapter 9. Examining Dimensions of Development Governance in Sub-regional Development in relation to Mindanao's Growth Areas

A. Material Discursive Dimension: Identity Formation in BIMP-EAGA and the Mindanao Growth Areas

BIMP-EAGA is essentially bound not only by historical and cultural linkages but is currently being shaped by the cultural idiom of Asian values. This discourse according to Aihwa Ong¹ is aimed to stimulate culturally authentic policies that produce social conditions leading to equitable growth. Prime Minister Mahathir of Malaysia leads in shaping the discourse that binds not only BIMP-EAGA but ASEAN states. There are three fundamentals to the Eastern thought that owe to be sustained: avoiding unnecessary conflict, eschewing coercive tactics, and living within one's means. The latter is grounded on communitarian capitalism that is inspired by the current-day understanding of Islamic capitalism which is based on redistribution of rewards or equity distribution of income.

The common religion that binds the islands of the sub-region is the strongest discursive dimension being put forward. This is not to mention that people in the neighboring islands of the sub-region (i.e. between Philippines and Sabah and Indonesia) are consanguinally related. Blood ties exist between many coastal dwellers across borders. Moreover, they are also bound by languages of the same Malay origin.

Ironically, the discursive dimension of economic cooperation only uses these cultural and historical linkages to jump start cooperative endeavors and sets aside the very people whose bonds made the links possible. Chinese Malaysians and Filipino Christians lead in the business exchange process. Furthermore, the economic activities pursued are large-scale business ventures which are almost oblivious to the coastal trading patterns of the Muslim people of the sub-region who have sustained the economic and cultural exchange through centuries.

¹ In *Flexible Citizenship: The Cultural Logic of Transnationality*, (Durham and London: University Press, 1999)

B. Compression of Time and Space

1. Nodal Points

There is a particular place-boundedness in the processes of global restructuring. Saskia Sassen² points out that the current trend in the spatial dispersal of economic activities can be seen in the "vast physical infrastructure containing strategic nodes with a hyperconcentration of facilities". Among these strategic nodes are "(1) command points in the organization of the world economy; (2) key locations and marketplaces for the leading industries of the current period, which are finance and specialized services for firms; and major sites of production for these industries, including the production of innovation." In the context of global restructuring, these nodal centers come in the form of export processing zones, offshore banking centers and global cities.³ All of which are considered vehicles for development/economic growth in a neo-liberal system.

In the context of growth polygons, the nodal centers are core areas of development. They are sites of production concentration and often objects of particular regulations and policies distinct from other geographic territories of the same State. These growth areas are strategic centers whereby activities leading to economic growth are heavily concentrated. In sub-regional development, they have become a basic component of a neo-liberal strategy that drives an export-oriented economy in pursuit of growth. In such an economic scheme, growth is facilitated by competitive production processes in an open-market economy.

East Asian growth polygons are normally characterized by these nodal points which according to Ngai-Ling Sum⁴ provide "complex services to bridge time-space gaps between global-regional and cross-border production and exchange". However, these nodal points are more than just sites of production and exchange. They are also areas of consolidation for the processes of division of labor/knowledge and for the condensation and consolidation of social and cyberspace practices in the service of

² in *Cities in a World Economy*, (California: Pine Forge Press, 1994) p. 1,4.

³ *Ibid.*, p. 18

⁴ in *Cross Border Sub-Regionalism in East Asia: Some Implications for the German-Polish Border Region*, *Emergo*, Winter, (1998) p.80.

production. Furthermore, they are centers for the "accumulation and crystallization of cultural/social practices/norms that reduce border time between cultural and/or private-public spaces". C.H. Kwan and Edward K.Y. Chen⁵, however, points out that often these nodal zones provide more competitive labor and production costs that encourage cross-border complementarity among neighboring States for the production of goods and services all slated for export.

Earlier it was discussed how setting up nodal centers through growth areas and special economic zones facilitates ease in production and manufacturing for purposes of trade in the sub-region. These same nodal centers are where investors can find necessary communications, transportation, production services. In General Santos City, for instance, there is a one-stop business permit and licensing center, a one-stop documentation center.⁶ And one-stop consular office has been set up in Tawi-Tawi.⁷

The experience of Mindanao's growth areas also point out that, beyond just production purposes, space compression also aims to provide a comprehensive package of business and leisure through the development of tourism sites along with industrial centers. All forms of tourism, from agri-tourism in Samal, eco-tourism in Tawi-tawi and food tourism in General Santos, are being explored alongside enterprise development.⁸

2. Cyberspace

To hasten business exchange and investment, the Mindanao Business Council provides business-matching services⁹ (e.g. meetings, conferences, trade fairs) with the cooperation of business community from the Philippine Chamber of Commerce and Industry throughout the Philippines. MBC also links with East Asian Business Council to facilitate business-matching between Mindanao entrepreneurs and other BIMP investors. Cyberspace cuts short the time of exploring investment options. EABC hosts a website, www.eabc.org, on business opportunities in the sub-region.

⁵ 1996, *Asia's Borderless Economy*

⁶ General Santos City Where Everything Works and Nothing Stands Still, *East ASEAN Business*, Volume 2 No. 5 (1998)

⁷ Growth With Equity in Mindanao Program, *Mindanao Development*. Mid-Term Report, October 1995-March 1998.

⁸ Ibid. and DIDP Project Management Office, *Davao Integrated Development Program*, 1999.

⁹ See Philippine Chamber of Commerce and Industry, *Business Match*, June (1999) and www.eabc.org

www.brunet.org.bn is the official BIMP-EAGA web site and also hosts a page for online business matching. MBC, on the other hand, has its own web site, www.minbiz-online.com, that was developed through a CIDA grant. The web page features investment opportunities for Mindanao. A more detailed information on geography, history, investment opportunities and updates in Mindanao is found in a web site hosted by USAID's GEM, www.mindanao.com. Similar web sites feature Mindanao but gives focus on a particular growth area. www.imindanao.com is a site created by a US-citizen, Robert Martin, which highlights General Santos City and hosts the city government's official webpage. www.vismin.com, on the other hand, showcases Davao's assets.¹⁰ The Philippine government has also ensured the implementation of a comprehensive investment package for the growth areas that provide a one-stop service to hasten the investment process that may be produced by investment promotion and business-matching activities.

Civil society organizations, on the other hand, have established their own links on cyberspace to hasten the information exchange. www.skyinet.net/~iidvo is a website for the Initiatives for International Dialogue which also manages the cyberlinkages of the CSOs in the sub-region through <http://eaga-wach.hypermart.net>. The latter provides an e-mail group list that is provided with news on the development activities in the sub-region on a weekly basis. www.maranao.org, on the other hand, carries the Moro struggle and development agenda through cyberspace. Among the growth areas, only General Santos City has a e-group list, socsargen@egroup.com, which allows civil society members to access exchange information and ideas on the ongoing development and issues in the area.

It is in this information super-highway, the cyberspace, that the transnationalization of civil society organizations in Mindanao and BIMP-EAGA are most prevalent. It is in cyberspace that the power of these organizations as counterhegemonic forces to the neoliberal development agenda of the State is apparent. What one reads on cyberspace is often a more radical critique of the State compared to a slightly subdued approach in actual on-the-ground engagement. It is through cyberspace where the advocacy for more progressive social policies for development as well as liberation discourses (i.e. in

¹⁰ Growth with Equity Mindanao, Surfin' Mindanao, *Business World*, October 16-17, 1998

the case of the MILF) are carried to a broader audience.¹¹ For those within the BIMP-EAGA territories it is a means for cultural understanding and solidarity. Beyond the sub-region, it serves the purpose of linking the diaspora to the ongoing transformations in their home countries. This provides an alternative mode of developing what Avtar Brah may call "homing" tendencies¹² that strengthen connections of the diaspora to their home countries. Furthermore, cyberspace facilitates international solidarity¹³ and strengthens the capacity of social movements to engage the State and corporate/business actors in a dialectic process of development governance beyond state borders.

3. *Division of Labor*

Comparative advantage in terms of resources among BIMP-EAGA states led to a division of labor in target areas for development. Brunei Darussalam leads the working groups for expansion of airlinkages, environmental protection and management and telecommunications. BIMP-EAGA and EABC web servers are located in Brunei. Indonesia, on the other hand, leads in the expansion of sea transport, shipping services, people mobility and forestry. There are currently five sub-regional routes: four between Bitung and Sandakan in Indonesia and varied points in Mindanao and one between Malaysia and Brunei. Malaysia leads the working groups in tourism, energy development, human development and capital formation.¹⁴ Among the states in the sub-region, Malaysia is the Philippines' leading business partner. Malaysian Ekran Berhad holds 100% equity of the Samal Casino Resort in the Island Garden City of Samal. Philippines, on the other hand, leads in construction and construction materials, expansion of fisheries and agri-industrialization. It is for these reasons that the ongoing Mindanao growth areas are driven to advance in agri-industry.

Beyond economic concerns at the sub-regional level, there seems to exist a division of labor on matters of development in specific growth areas. In General Santos City, policy

¹¹ See FEMAS, on the MILF, www.maranao.com/moro-body.htm

¹² in Chapter 8: Diasporas, Borders and Transnational Identities of *Cartographies of Diaspora: Contesting Identities*, (1996)

¹³ Appadurai, Arjun, *Modernity at Large: Cultural Dimensions of Globalization*, (Minneapolis: University of Minnesota Press, 1996) (Selected Chapters).

reforms, infrastructure development and social service delivery are within the domain of the government; the business community takes care of the production and manufacturing and investment promotion is led by GEM. The civil society assists in social services delivery (i.e. health) and inputs information on processes of policy formulation.

In Samal Island, on the other hand, infrastructure development and policy reform are also provided by the local government. National government agencies like the Department of Tourism take care of investment promotion and community development. Ekran Berhad supposedly ensures sustained employment (not necessarily for Samal Island's population) while the NGO, TACDRUP, assists the local government in policy formulation and development planning particularly on the area of community-based sustainable development. Increasingly, more areas of development that used to be in the hands of the government like investment promotion and international trade have been opened to the participation of business-oriented actors. Even the management of information is carried more efficiently to cyberspace by non-State actors of Mindanao's growth areas. Moreover, social service delivery which ideally is a State responsibility is now a shared undertaking between non-State actors like NGOs and donor agencies.

C. Natural Resource Utilization and Development

1. The Story of Tuna

Through centuries, natural resources of islands within the sub-region have been shared. Fish are caught in the same bodies of water, trees are logged from the Philippines and brought to Malaysia, sea turtle eggs from the Tawi-tawi islands are brought to be sold in the markets of Malaysia, engineers from the Philippines can be found in Brunei construction or geologists in mining areas of Indonesia. And not to forget the domestic helpers of Filipino origin in Malaysian homes. Indonesian produce and Malaysian goods find their way into Mindanao's markets and barter-trade centers.

¹⁴ The limited space of this paper will not allow in-depth discussion of the activities of BIMP-EAGA's working groups. However, copies of activities of the working groups can be accessed at www.brunet.bn. The appendices, likewise, contains some working group activities from the said website.

However, no resource is more coveted at this point in time as that which comes from the waters. The growth of the tuna fishing industry in the sub-region is brought about by the countries' proximity to the tuna belt in the Pacific Ocean. Because of the archipelagic nature of the States like Indonesia and the Philippines, the economic zones of both countries are not distinctly bordered/defined and therefore overlapping¹⁵. Similarly, Philippines experiences the same problem with Palau. In the past, Filipinos were allowed by Indonesia to fish on their grounds until the profitability of the tuna industry had been assessed. Often, Filipino fishermen find their way into the waters of Indonesia or Palau and are caught by their authorities. Of the 1600 fishermen repatriated from Indonesia and Palau, 76% were from General Santos City¹⁶.

General Santos City has the dream of becoming a tuna capital owing to its accessibility to the location of the tuna fishing grounds. For the last nine years the average tuna landing each day is recorded at over 710 metric tons of tuna which provides for the nine tuna canneries in the City. It also provides employment to roughly 30000 to 40000 families in the growth area.¹⁷

But overfishing and destructive fishing practices in Philippine waters accompanied by recorded poaching by Taiwanese fishing vessels threatens the growth of the tuna industry. The average weight and size of tuna delivered on landing have considerably declined. This is alarming in a sense that tuna are no longer allowed to mature in size before they are caught. This is made possible by the fact that Philippines is the spawning ground of the migratory tuna.

So as not to further threaten the tuna industry's productivity, Filipino fishing operators lobbied for the negotiation of partnerships for tuna fishing with Palau¹⁸ and Indonesia. There are Filipino fishing vessels licensed to fish in Indonesian fishing waters for as long as these operators invest in Indonesia. The same arrangement was made by RD

¹⁵ See Tracking Tuna in the P.I., *Seafood Leader* Volume 18 No. 3 (May/June 1998)

¹⁶ SOKSARGEN Area Development Project Office, Downsites of the Commercial Fishing Industry-GenSan Scenario (1999)

¹⁷ Ibid., City Economic Management and Cooperative Development Office, General Santos City Facts and Figures, (1999) and BIMP-EAGA Trade Cooperation (1999)

¹⁸ In Tracking Tuna in the P.I., *Seafood Leader* Volume 18 No. 3 (May/June 1998)

Fishing with Papua New Guinea¹⁹ when it established a tuna cannery in there. For General Santos City, any decline in the tuna fisheries would have overwhelming effects on an economy that is almost single-resource base dependent. The figure below indicates alternative fishing areas in the Pacific explored by the Philippines in the light of tuna demand, depleting tuna stocks and rising cases of Filipino fishermen jailed at Indonesia for illegal fishing.²⁰ The areas indicated are beyond the BIMP-EAGA territories.

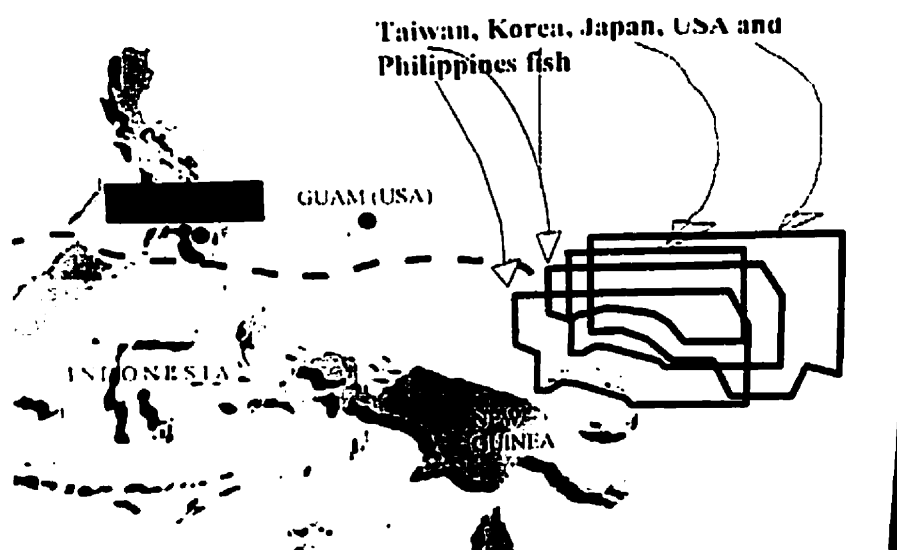


Figure 9.1. Major Tuna Fishing Grounds in the Pacific Used by Various Purse Seiners of Different Nationalities²¹

The Philippine delegation to the High Level Negotiations on Tuna Catch Regulations in 1999²² was a combination of State and non-State actors. The latter's participation was

¹⁹ "In return for building a cannery in Madang, which overnight became the largest private employer in Papua New Guinea RD seiners were granted the exclusive privilege to fish the tuna shoals in the Bismarck Sea." In Tracking Tuna in the P.I., *Seafood Leader* Volume 18 No. 3 (May/June 1998), Also see the briefing papers on The RD Group of Companies.

²⁰ See Report of the SOCSARGEN Area Development Project entitled "Description and Comparative Data analysis on Filipino Repatriate Cases (1999).

²¹ Growth with Equity Mindanao, Major Tuna Fishing Grounds in the Briefing Papers on General Santos City, (1998).

²² See bworld.com.ph, on the Fifth Session of the Multilateral Conference on the Management and Conservation of Migratory fish Stock on the Western and Central Pacific, 23 November 1999. Also see SOCSARGEN Area Development Project Office, Downsites of the Commercial Fishing Industry-GenSan Scenario (1999)

coordinated by GEM. The access of Philippines to international waters is greatly affected by current EEZ imposed constraints in the Pacific waters which yield the bulk of the Pacific tuna resources. Philippines currently competes with large fishing nations that provide aid to Pacific Island States in exchange for fishing rights. There is currently no shared fisheries management strategy between States within the sub-region, not even with the presence of the BIMP-EAGA working group on fisheries.²³ The only matters discussed therein are fisheries quarantine, tariff harmonization, and a proposal on utilizing untapped sea routes.

2. *The Turtle Island Heritage Protected Area (TIHPA)*²⁴

Philippine and Malaysia waters are home to sea turtles whose survival is threatened by the growing interest in turtle eggs as a supposed aphrodisiac. Residents of coastal communities in Tawi-tawi Islands have discovered the marketability of eggs in Malaysia, mostly for the Chinese population, and have been selling the eggs as one major source of livelihood for the past two or three decades.²⁵ Seeing the threat to this precious species, Malaysia and the Philippines entered into an agreement²⁶ to create the first

²³ Working Group on Fisheries Cooperation, Report on the 6th Meeting of the Working Group on Fisheries Cooperation, February 1999.

²⁴ Turtle Island Heritage Protected Area, www.oneocean.org/ambassadors/track_a_turtle/tihpa/pti.html (1999) World Wildlife Federation, www.wwwf-phil.com.ph/home/htm (1999), Kabang Kalikasan ng Pilipinas www.philngo.com/wwfi.htm (1999)

²⁵ See Danguilan-Vitug, Marites and Yabes, Criselda, 1998 *Jalan-jalan: A Journey Through EAGA*, Pasig City: Anvil Publishing

²⁶ According to the description of the TIHPA in www.oneocean.org/ambassadors/track_a_turtle/tihpa/pti.html (1999, "As early as 1990, the ASEAN Working Group for Nature Conservation (AWGNC) saw the need for collaborative efforts to conserve marine turtles in the ASEAN Region. In 1991, the Philippines, through the Pawikan Conservation Project of the DENR, proposed the organization of a regional workshop that would formulate a plan for the conservation and management of sea turtles in the Region. In 1993, this activity was successfully undertaken through the 1st ASEAN Symposium Workshop on Marine Turtle Conservation, which was held in Manila, Philippines. The regional plan was approved by the ASEAN Senior Officials for the Environment (ASOEN) in 1994.

One of the major areas of concern identified during the workshop was the conservation of the remaining major nesting areas in the ASEAN Region. The most prominent among these areas is the Philippine-Sabah Turtle Islands, as well as the Berau Islands of Indonesia, which were declared as an ASEAN Heritage Protected Area for Sea Turtles. However, given that the ASEAN is a political institution with eight member nations (there were only six in 1993) and must deal with a diversity of issues from different points of view, the finalization of a regional agreement involving all the Parties is expected to take along time. In 1995, through the Joint Commission for Bilateral Cooperation (JCBC), the Governments of the Philippines and Malaysia negotiated for the establishment of the TIHPA, with technical assistance from WWF-Philippines. The bilateral agreement establishing the TIHPA was formalized on May 31, 1996 during the 3rd Meeting of the JCBC in Manila."

bilateral protected area in the world. The joint protection is supported by the USAID which provides TIHPA with the scientific expertise to track the sea turtles and by UK which assists in finding alternative forms of livelihood for the people of Tawi-Tawi Islands. The endeavor is also supported by the World Wildlife Fund. Furthermore, USAID also provides assistance to the DENR-managed program in the area for Coastal-Based Resource Management.

D. Security

It is rather odd that the security as a development issue has been left out of consideration in the BIMP-EAGA working groups to date. Reasons abound for such concern. Southern Philippines have been a gateway for arms and drug trade for decades. CIA reports²⁷ document arms and drug trade in Mindanao which have been acknowledged by the Armed Forces of the Philippines. Arms that sustain the Moro rebels are transported through the dangerous waters of the Moro Gulf area often using the Malaysian islands as jump-off points. Russian-made rocket launchers such as those found in Afghanistan are carried by MILF fighters. Furthermore, a network of Muslim mujahideen find their way to Mindanao through the Philippine waters down south.

Smuggling of goods between islands of the sub-region has also been rampant. Subsidized goods from Indonesia are sold in Mindanao markets. Logs from the Philippines are shipped to Labuan, Malaysia at night. Cigarettes, soap, canned goods from China find their way to Mindanao Muslim stalls. There is also an ongoing illegal trade of sea turtle eggs between Tawi-tawi and Malaysia.

Despite all these, there are no cooperative mechanisms to address security issues in BIMP-EAGA. Initiatives from State actors are wanting such as that in a bold move in the business community has taken put matters in their hands. This case is in particular reference to the initiatives of SOCOPA and fishing operators of General Santos City against piracy.

The waters in the Moro Gulf and Indonesian waters have been identified as two of the most dangerous passageways in Southeast Asia. In the past yachts and merchant

marine ships were hijacked. About 69% of the recorded piracy attacks in the Southeast Asian between 1996-1999 occurred in the territorial waters that border Philippines and Indonesia. Maritime crime is said to be related to local security issues in areas like Mindanao where breakaway groups (otherwise known in the Philippines as "lost command" groups) from the major rebel forces like the MILF use piracy as a tool to pursue their own economic interests.²⁸ The marginalization of the Moro population from the ongoing development process in Mindanao is said to be a significant factor in the rise of the piracy in the sub-region. Of the total piracy attacks in Southeast Asia from 1996-1998 particularly in Philippine waters, 20% "were connected to the profiteering activities on renegade factions within the MILF and the Abu Sayyaf Group", a terrorist group related to the rebel movement in Mindanao.²⁹

Until recently, the profitability of tuna led to the piracy against tuna fishing vessels ---- often, those fully loaded with a tuna catch. Each vessel loads thousands of dollars in fresh tuna if landed to nearby fish canneries. The inability of the Philippine Coast Guard to provide adequate protection to these vessels in time of need led the fishing operators and SOCOPA to purchase their own patrol boat to protect the vessels. This is one bold move of the private sector in participating in the security role of the State to protect its own interest.

Although there have been maritime memoranda of understanding (MOU) between Malaysia and Philippines in 1994 to fight piracy³⁰, none have been pursued under BIMPEAGA formal arrangements. Not only do tuna fishing companies stand to lose by such neglect but also the entire sub-region whose entire economic growth was designed around the idea of intra-regional trade.

²⁷ CIA, Philippines Country Profile, www.odci.gov

²⁸ Peter Chalk, *Contemporary Maritime Policy in Southeast Asia.*, (1999)

²⁹ International Maritime Bureau, Piracy and Armed Robbery Against Ships, *Annual Report*, in Chalk, (1999) p.5-6.

³⁰ *Ibid.*, p.12

E. Economic Zones and Gendered Development

Earlier it has been mentioned that there is a dearth of gender and development initiatives in BIMP-EAGA except for assistance in the form of livelihood projects done by GEM and the UK funded gender sensitivity trainings done in the Tawi-Tawi Islands.

It is, however, worth mentioning that women are taking more prominent decision-making roles. MBC is headed by a woman. GEM's area manager in Tawi-Tawi is also a woman. The Planning Officer of Samal Island is also a woman. In General Santos City, some women assume positions of control in the fishing industry. SOCOPA's executive director is a woman. More often, though, women in the fishing industry are confined to administrative support positions.

However, many programs do not incorporate gender-related concerns and this neglect has now taken its toll. The naivety to the vulnerability of women in the ongoing economic development initiatives now poses a security threat in General Santos City. While employment of women in the canneries of General Santos City has been considerably significant, there are other women whose economic needs are addressed by numerous fishing vessels that land in General Santos Fishports. SHED Foundation documents together with the TV station ABS-CBN General Santos City the alarming rise of sexually transmitted diseases and HIV/AIDS cases in such a small city as General Santos.¹ The rise in sexually transmitted diseases STDs has been attributed to the growing prostitution industry in the port area and the sexual trysts the fishermen have in international ports in the sub-region (i.e. Manado in Indonesia). The prostitution industry seem to match the growth in tuna industry. And the customers of the ladies are as international as the fishing trade. Thus, one could expect the internationalization and sub-regionalization STDs.

Hospitality girls or G.R.O.s (Guest Relation Officers) as the women are sometimes called, often work in bars near the fish port or are free lancers that are pimped directly to waiting customers in the boat. Thus, they earn the title *akyat barko* (boat climbers)

¹ See ABS-CBN General Santos City, *Fishing for Disaster: Sex in Gen San*, 1999.

gang.² They are daughters, mothers or even wives/partners of some fishermen in the industry. The failure of the industry to give attention to the concerns of these women has driven many of them to engage in sex trade.

Through the initiative of SHED and the media, a convergence among State and non-State actors have resulted to health efforts at curbing the rise of STDs.³ However, initiatives have still fallen short of the ability to address gender-related concerns at the very base of sex-trade in General Santos City.

F. Uneven Development, Capital Centralization and Migration

By history, transmigration in the sub-region is a common practice brought about by the lure of economic dynamism. Thus, it is not uncommon to hear of Indonesians in the Philippines or Filipinos in Indonesia, Malaysia or Brunei. The rich trade between States in the EAGA in centuries past became the motivation for cross-border economic ventures. When colonial governments defined territorial boundaries, small time traders were not deterred from conducting the trading practices, both legally or illegally, to whom they have been culturally accustomed. However, the current migration trend in the sub-region is brought about by uneven economic and human resource development between the States in the sub-region.

While Brunei and Indonesia have the economic and natural resources and Malaysia the capital and technological capacities, the Philippines has an educationally-equipped and an enterprising human resource. There are about 32,000 Filipinos in Brunei sustaining the service industry and the international schools⁴. There are roughly 150,000 Filipinos in East Malaysian plantations, construction sites, factories, shops, hotels and households.⁵ Labuan, East Malaysia's water village of stilted houses is home to Filipino illegal migrants.⁶ In Indonesia's East Kalimantan, Filipino engineers, chemists,

² Ibid.

³ Ibid.

⁴ Danguilan-Vitug, Marites and Yabes, Criselda, *Jalan-jalan: A Journey Through EAGA*, (Pasig City: Anvil Publishing, 1998) p.40.

⁵ Ibid., p.47.

⁶ Ibid., p.60

geologists, and managers are among the labor force in mining and logging firms in the likes of Balikpapan.⁷

Indonesians have also migrated to Mindanao in the decades past. A recent survey of the Bureau of Immigration approximates Indonesian illegal immigrants at about 2000.⁸ This number only accounts for Indonesians who have lived in the country for decades and have already been integrated into Muslim communities in Mindanao. Malaysia has also recently raised apprehensions about the rising tide of illegal migrants from Indonesia because of the political upheavals and economic crisis in the latter.⁹

On the other hand, the centralized investment patterns in Mindanao's growth areas have led to the movement of the labor force in the country and the region in such growth centers as General Santos City. The City government processes approximately 300 working permits a day. As reported, even prostitution is not exempt from this migration pattern. Many of General Santos City's commercial sex workers are from the islands of Visayas or Luzon.

The migration patterns in the growth areas affect not only urbanization plans but also the general quality of life of a growth area's population. Squatting is now becoming a concern in areas like Labuan in East Malaysia and General Santos City. Surprisingly, however, there seem to be very little initiatives with regard to addressing issues on people mobility in both BIMP-EAGA, in general, and Mindanao's growth areas in particular.

⁷ Ibid., p.83

⁸ See The GenSan Journal at www.mindanao.com

⁹ Nonini, *Shifting Identities, Politioned Imaginaries*, in Ong, Aiwa and Donald Nonini (eds) 1997 *Ungrounded Empires: The Cultural Politics of Modern Chinese Transnationalism*. New York: Routledge. (Chapter 7)

G. Ethnicity and development: The Marginalization of Mindanao's Indigenous Peoples

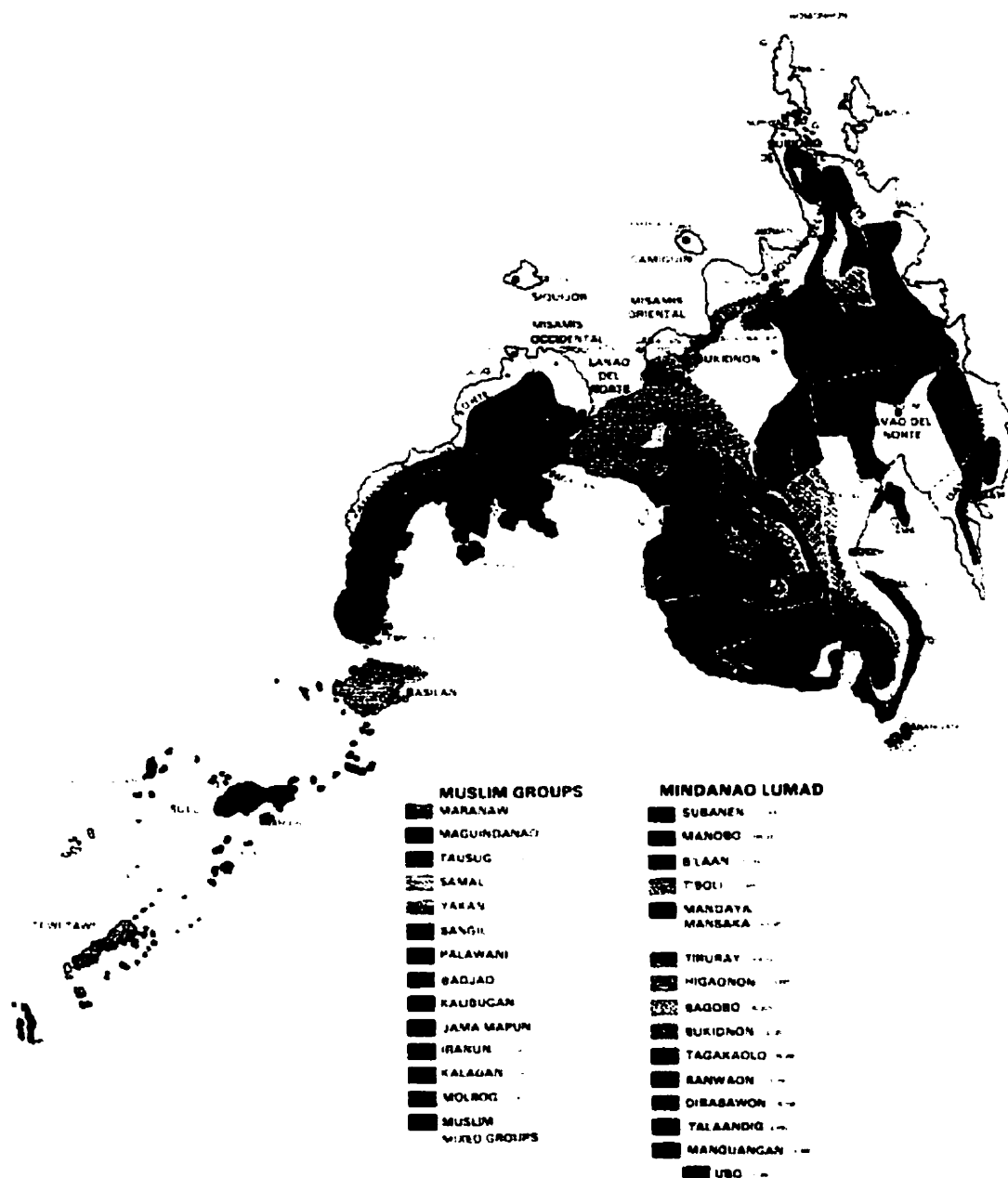


Figure 9.2. The Ethnographic Map of Mindanao¹⁰

¹⁰ Ethnographic Map of the Mindanao drafted by the National Council of Churches in the Philippines -- Peoples Action for Cultural Ties, February 1988 in CRS, Kalinaw-Mindanao-MinCARRD, OPAPP and UNICEF. *Panagtubo sa Kalinaw: A Basic Orientation Manual Towards A Culture of Peace for Mindanao Communities.* (UNICEF, 1998)

Mindanao has a rich cultural heritage owing to the diversity in the ethnicities of its peoples. There are about 2.3 Million Muslims in Mindanao coming from different ethnicities and about 1.4 million *Lumads* (indigenous peoples).¹¹ As earlier presented, divergent views on development in Mindanao are influenced by the cultural and historical embeddedness of development actors. Current development initiatives in Mindanao's growth areas are almost oblivious to the ethnic clamor for self-determination and claims for ancestral domain. Integration of the marginalized Moro and indigenous populations in ongoing development initiatives by State and business actors, and even by some civil society organizations, are wanting.

The Moro and *Lumad* populations have, historically, been pushed into the hinterlands by Spanish and American colonizers and the Filipino settlers from Luzon and Visayas in the second half of the 20th Century. Since then, the Moro and the *Lumads* have never given up on the struggle of reclaiming their ancestral land. With ethnic fervor and the religious zeal that comes with the Islamic *jihad* the Moro took the more violent struggle.¹² The *Lumads*, on the other hand, retreated deeper into the forests and mountains of Mindanao to live in peaceful coexistence with nature until their peace was disturbed by intrusive mega-development projects (e.g. mining, logging, energy development).

The plight of Mindanao's ethnic groups is not manifested in the major development agenda of Mindanao's growth initiatives. Yet, their cultural heritage is utilized as tourism capital in the Philippine's tourism master plan and Mindanao's agenda for growth. It is not difficult to understand why the struggle for self-determination among Mindanao's ethnic groups may perhaps be one of the most sustainable in the world with over 400 years to its record. Currently, many of those who benefit from the growth agenda are Chinese-Filipinos or Filipino settlers from Luzon and Visayas. To their names are development in the growth areas like General Santos City attributed. The roles of the Muslim traders and farming communities of the indigenous peoples, on the other hand,

¹¹ Tri-People consortium for Peace, Progress and Development of Mindanao, *Defending the Land: Lumad and Moro and People's Struggle for Ancestral Domain in Mindanao*, (Mindanao: TRICOM, SNV, ICCO, and AFRIM, 1998) p.3.

¹² Mindanao: Land of Promise, www.c-r.org/acc_min/muslim.htm, 11 April 1999, FEMAS, on the MILF, www.maranao.com/moro-body.htm, Gemma Casas, on the Foundation of Islam in the Philippines, Islamic World News, www.ifds.net/art_isl_270999.htm, 27 September 1999
Shiek Abu Zahel, The Moro Jihad: Continuing Struggle for Islamic Independence in southern Philippines, www.islam.org

in sustaining livelihoods and communities through centuries have been set aside. The same roles that propelled Mindanao into a major trading entrepot prior to the 1500s. At times, they are also blamed for their resistance to join the development bandwagon. Furthermore, Christianity was wrongfully used as a tool by some groups (i.e. *Ilagas*, a vigilante group in the SOCSARGEN area) to legitimize acts of violence against the Muslims in the 70s and the 80s.

Moreover, despite the common struggle of self-determination among ethnic groups, ethnic differences are also high in many areas in the country. Tawi-tawi for instance is one such area with an almost regular occurrence of ethnic conflicts. Any development agenda that fuels such conflict is often bound to doom. Such was the major mistake of the peace and development initiatives initiated by the SPCPD-NEDA-UN System when it decided to focus all development initiatives to the MNLF.¹³ Other than the failure of the government to comply with the terms set in the peace agreement, the overwhelming attention given to MNLF led to perceptions of discrimination by the development community and government against other ethnic groups in Mindanao who were also victims of the armed conflict.

The ethnic struggle is like a thorn stuck by the side of many investment promoters of Mindanao. The struggle is often masked by images of the peace agreement signed in 1996. But, even that image is now blurred by the ongoing armed conflict between the government and the Muslim rebel group MILF and the claims for ancestral domains by the *Lumads*. In economies like General Santos City's, the impact of ethnic conflicts is more felt given its proximity by land to conflict zones of Cotabato, Sultan Kudarat and Maguindanao. Economic and social policies for development in Mindanao must learn to weave through the intricate and complex context of the ongoing ethnic struggle to enable a comprehensive though diverse development process for every part of Mindanao's growing population.

¹³ Mario Joyo Aguya, [The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community](http://www.incore.ulst.ac.uk/esn/joyo.html), www.incore.ulst.ac.uk/esn/joyo.html, 13 August 1999.

H. Intersecting global-local interests: WTO, AFTA, BIMP-EAGA and Mindanao's Growth Industries

Mindanao has positioned itself as the agri-industrial center of BIMP-EAGA. The growth areas under study, in particular, are all grooming agriculturally-based industries. WTO, AFTA and even the BIMP-EAGA arrangements, open the agricultural markets of the country to foreign competition and "legally enable rules governing agricultural trade".¹⁴ Both WTO and AFTA commitments of the Philippines bind the country to prohibit the use of additional tariff measures, to convert existing import quantitative restrictions to tariff protection measures (except for rice), to institute tariff bindings and tariff reductions, and to facilitate harmonized sanitary and phytosanitary restrictions.

The biggest constraint to Philippine products is their competitiveness in the local as well as the foreign markets. Lack of support services in agriculture and high costs of agricultural production in the Philippines, jack up prices of marketable products. Thus, rendering the cost of the finish product more vulnerable to competition. Non-tariff barriers such as sanitary and phytosanitary restrictions¹⁵ puts Philippines at a disadvantage given the expensive costs to avail of technology necessary to upgrade sanitary and phytosanitary capabilities of the agri-industries in the growth areas.

Competitiveness is often associated with productive capacity. The desire for increased production drove national government agencies and business actors alike to use biotechnology as a strategy. In General Santos City, inland fisheries now rear genetically improved farm tilapia (GIFT). Recently, the National Committee on Biosafety in the Philippines (NCBP) approved the testing of a biotechnology corn variety introduced by Cargill Philippines, Inc. believed to have fatal effects on long-term soil fertility. As earlier mentioned, the corn testing is now the focus of a court case involving farmers, NGOS, the national government agencies and business actors. Furthermore,

¹⁴ WTO/AFTA Advisory Commission, Understanding Globalization, WTO, APEC, and AFTA, January 1999.

¹⁵ See Clarete, Ramon, Trade-Related Problems and Issues in Philippine Agriculture, Monograph for Consultative Sessions on WTO Renegotiations (1999) and Chio-Javelosa, Joy, Emerging Issues for the Next Round of Negotiations, Paper presented at the General Santos Consultative Session on WTO Renegotiations, July 21, 1999.

there is an ongoing initiative in Tawi-Tawi, as well, to conduct research on disease resistant seaweeds.

The current trend of large-scale production may as well threaten Philippines' endemic crops. And in an attempt to maximize productivity, the entire agri-industrialization initiative may actually lead to the demise of the country's agricultural sector given its increased dependence on foreign inputs (i.e. fertilizers, pesticides, biogenetically - developed seedlings or fish varieties). Mindanao may just find itself treading the same path that caused the rice farmers' dependency on foreign inputs that begun in the 70s.

Furthermore, Mindanao's biodiverse agriculture has been the backbone of its economy for the past centuries. That same biodiversity is increasingly threatened by monocropping tendencies of State and business actors. Therein, the commitment of the State to sustainable development is, thus, questioned.

Increased productivity also poses a new problem of the Philippines that produces "like products" with many ASEAN economies. Given this context, the wisdom of BIMP-EAGA's vision of complementarity for economic growth is put into question. Unless the Philippines manufactures value added products and produces commodities that will be distinct from mass-produced products in the world market¹⁶, its chances in the world market may be less optimistic.

¹⁶ An important case to cite is the Philippine Natural Grade (PNG) eucheama farmed in Tawi-tawi. The seaweed variety is in-demand because of its rich carageenan content. PNG eucheama is traded by Shernberg Corporation in France and Canada, to name a few. The proven quality of the PNG eucheama has continually encouraged its buyers to patronize the Philippine product. Thus, to date, Philippines is still the world's number one seaweed producer in the world.

PART III

Chapter 10. Summary of Findings

The research generated a long list of development actors in Mindanao's growth areas that span global to local, macro to micro levels of development arena. All actors stipulated by governance models (i.e. the State, business and civil society) are in various levels and extent of engagement with one another as each forward their respective development agenda. The data gathered indicates a strong State presence in pursuing a neo-liberalization agenda. The Philippine government plays a critical role in crafting economic and social policies that facilitate Mindanao's integration into the global, regional, and sub-regional economy. This, despite the law, the Local Government Code of 1991 or Republic Act 7160, declaring decentralization as a mode of State administration. The national to local government's economic and social policies bear the mark of the development agenda of donor agencies which raises the issue of State sovereignty vis a vis international donor agencies. However, while the State shows signs of governance strength in terms of its economic and social policies, the actual implementation of development projects is no longer within its control. At best the government merely coordinates, oversees or monitors. Government actors beyond the local level of governance also show signs of weak governance initiatives on the areas of gender, health, environment, ethnicity and security in growth areas.

Therein, the business sector enters as a key player in infrastructure and enterprise development, investment promotion and business matching. The civil society organizations in the growth areas studied, on the other hand, have taken on the role of implementing the social agenda of donor agencies as they put forward their own development agenda which often focuses on advocacy and education rather than on basic service delivery or infrastructure development. While such finding does not negate the theory that the civil society has assumed the responsibilities of the State, the study is cautious at making such general conclusion. This is so because the civil society only assumes social service delivery functions when they have accessed necessary funds from State actors. In other words, there is some delegation of responsibility from the State to civil society but it does not necessarily point to a

conclusive retreat of the State nor the independent, counterhegemonic stance of civil society organizations. Surprisingly, there is a weak civil society participation in the local levels of the growth areas.

Development approaches advocated by different development actors are generally eclectic. There is no single theme that defines common direction for all the development initiatives in Mindanao. However, the most dominant approach is economic growth and its variations (e.g. growth with equity, redistribution with growth) followed by governance. Both are strongly supported by many State actors, whereas, the earlier is the predominant paradigm advocated by business actors. Participatory development, sustainable development and self-determination are among the more strongly advocated development paradigms of civil society organizations.

The drive for sub-regional, regional, and global integration for purposes of economic growth increased State and business linkages and interaction in growth areas. Their relationship/engagement range from cooperation, complementary to collaboration. On the other hand, there is a weak State and civil society and even weaker business and civil society linkage. State and civil society mode of engagement is characterized by either cooperation or rivalry. Most often a contract-based relationship exists between supra-national State development actors and civil society organizations. There is also very rare occurrence of State-business-civil society direct engagement in matters relating to development. Thus, there is a missing link, a gap in governance necessary for a process of critical engagement between three critical actors in governance.

Chapter 11. Current Issues in the Governance of Development in Mindanao's Growth Areas

An exploration of development governance in growth areas raises a number of issues. Foremost, is the issue of the appropriateness of development approaches. Mindanao, to date, is a motley of development initiatives, extensive and small-scale, government initiated, foreign donor agency funded, business/market-driven, civil society motivated ---- all running parallel with each other. However, it is not the number of development projects that matters to many in Mindanao. Rather, the appropriateness and efficiency of development initiatives to bring about significant change in the lives of its population. As to the issue of significance, growth area initiatives have all been too focused on economic development and have glossed over, if not forgotten, human security dimensions essential to human development. Among these, gender, health, ethnicity, security, and environment. The prior point raises another issue though. In the first place, for whose gain is the development in Mindanao growth areas: for State as a whole, for the national government, for Mindanao's economy, for the environment, for the business sector or for Mindanao's population of population of diverse ethno-linguistic origins?

Development is best considered as a right and not a privilege¹. As such, it is an undertaking at the State's responsibility. Rights are often associated with the relationship between the State and its citizens. In modern political theory, the sovereignty of the State rests on the power of its citizens. The social contract between the State and its citizens stipulates that citizen's rights should be guaranteed by the State. Thus, if development is a right, then, the State should pursue it for the well-being of its citizens.

However, World Bank, in its 1997² report, asserts that enabling development is not the exclusive domain of the State. Rather, for development to occur, participation of business and civil society organizations is imperative. This same message is

¹ Wilfred David, The Conversation of Economic Development: Historical Voices, Interpretations and Reality, New York: M. E. Sharpe, (1997) pp. 185-188. This paradigm for development is often referred to as the "people-centered" interpretation of development. According to Wilfred David, "from this perspective, development becomes a fundamental right whose ultimate foundation is constituted by the essential needs of each individual... This implies a raising of the overall standard of living through the expansion of people's capabilities, entitlements and ownership rights."

² World Bank, World Development Report 1997, www.worldbank.org

reiterated by the Bank's 1999 Comprehensive Development Paradigm.³ How valid is the argument that participation in the process of development is a strategy for social change or does indeed bring about development?

These days, it may be too optimistic to demand basic social and economic entitlements from the Philippine State because it has long minimized the role it plays in providing for its people. The study shows that in Mindanao's growth areas, the role of the State at best is for economic and social policy support at development initiatives and minimal infrastructure support. Resources for development projects either come from international donor agencies, the business sector, the fruits of the oceans and land, and from the skills of the people. Mindanao does not exactly have a dearth of development actors. Neither is it wanting in terms of diversity and multiplicity. But, how can participation be generated so as to create a synergy among the forces of the State, business and civil society actors so as to translate the whole process of development governance into actual development?

See Shahid Yusuf, Staff Director of the World Bank World Development Report 1999/2000, . Development Policy: Entering the 21st Century - General Issues of the World Development Report 1999/2000 <http://www.dse.de/ef/rep1098e.htm> and Stiglitz, Joseph, Participation and Development: Perspectives from the Comprehensive Development Paradigm, <http://www.democracy-market.org/index1.html>,(1999)

Chapter 12. Conclusion

A pressing question is raised by this research activity. Does the development governance in Mindanao's growth areas, taken as a whole, promote development in Mindanao and contribute to the development in the sub-region? Foremost, there is very little agreement among the multiple actors in Mindanao's growth areas as to how development ought to be defined, much more, achieved. Though not entirely discordant, development approaches in Mindanao's nodal sites are wanting of a mechanism to create, to produce a more efficient strategy of bringing about an integrated and comprehensive development for the tri-people (i.e. Muslims, *Lumads*, Christians) of Mindanao.

The State actors in Mindanao's growth areas are too entangled in the market and have evolved to perform promotion, facilitation, regulation of market forces. It has become a developmental state with an agenda to liberalize and pursue a market-driven agenda. The State has also showed signs of weakening sovereignty as its development agenda mimics that of donor agencies. As it does so, the State offloaded some of its responsibilities as an activist State (e.g. financing the delivery of social services and protection of the natural environment to the donor agencies. The business sector, on the other hand, engage in dynamic partnerships with the State for) economic development but have been rather slow, or hesitant, at taking the responsibility of distributing the benefits of economic growth by helping provide for collective goods in growth areas. The role of civil society organizations, on the other hand, as counter-hegemonic forces is put to test given its contracting tendencies for donor agencies.

On the whole, there is a lack of synergy among State, business and civil society actors to initiate a common agenda for development. Nevertheless, the contradictions or divergent approaches to development therein provide room for critical engagement in a democratic system provided for development to be molded, reshaped, and transformed. The dialectic process between State, business and civil society actors may produce a synthesis that allows a development that benefits the people of Mindanao to surface. The only issue at hand is whether political power has been generated by each development actor to allow for their respective active

engagement in the development process and so not to produce a development process that is skewed towards one actor in a system of inequity.

To answer the question at the beginning of this section, development governance in Mindanao's growth areas does create the environment for development as defined by particular actors. In other words, development initiatives increased production output of many agri-industrial sectors and have generated investment inputs for enterprise development. Capability building for good governance have been accomplished and public service provision have been initiated. As to the broader context, however, development initiatives in growth areas that are too economically-focused have not equitably distributed the benefits of growth to improve the quality of life many marginalized sectors in the population. Many development initiatives became mere palliatives for the target beneficiaries (i.e. Muslim community and *Lumad*) as the root causes of their underdevelopment are not addressed.

Furthermore, human security dimensions of development have not been given emphasis in development governance. Even the integral relationship between the ocean, land, mountains and the resources therein and ongoing livelihood activities between islands of the sub-region have been glossed over. Thus, only one dimension of the sub-regionalization process has been pursued with zeal and passion by the State and business actors alike --- the economic dimension.

The way development is being governed in the growth areas of Mindanao, does provide for an aggregate measure of economic growth for the sub-region. However, Mindanao growth areas may yet remain distinct as its economic growth is not translated into social policies in the spirit of communitarian capitalism espoused by its sub-regional neighbors. In the context of cooperation and complementation, the development strategies in Mindanao's growth areas are rather similar to those undertaken in other BIMP States (e.g. tourism development, fisheries development, agri-industrialization). In the long-run the growth areas will compete rather than complement unless BIMP-EAGA States focus on their originally agreed upon development focus. Mindanao, however, has kept its commitment in taking the lead in agri-industrialization and fisheries cooperation.

On the other hand, to the extent that Mindanao's nodal sites for growth generate employment opportunities, uneven development in the sub-region is reduced. However, since activities such as small-time cross-border trading, smuggling (e.g. goods, arms, drugs), illegal migration, piracy, ethnic conflict and insurgency are not adequately and efficiently addressed by growth area initiatives, transmigration of residents of Southern Philippines to other islands in the sub-region and sub-regional security concerns may mire development initiatives.

Chapter 13. Future Directions for Development Governance in Mindanao's Growth Areas

It has been pointed out that economic growth strategies have not been successful in terms of distributive justice and development. This is so because large-scale economic agenda does not often result to the generation of collective goods for public redistribution. However, learning from the experience of East Asian states and the indigenous communities of Mindanao, development actors in Mindanao might want to reflect on small-scale economic activities that are historically and culturally embedded as engines for economic growth. In other world explore the possibility of growth based on an aggregate of productive economic forces where distributive justice is more efficient. Take the example of Taiwan the "extensive network of rural-based Taiwanese merchants and middlemen", the Japanese rural-based merchants, the indigenous entrepreneurs of Java, the rural entrepreneurs and middlemen of China⁴, or the seaweed farmers of Tawi-tawi. They all have been engines of economic growth and yet they directly benefited from the growth of the industry they participate in. Unfortunately, the word "small" seem to elude development actors among the State and business sectors.

The lesson to be learned from the East Asian experience not often given attention is the fact that East Asian growth evolved out of the small-scale initiatives of the agricultural and rural based sector. By developing the productive potential of the rural poor, the growth process was easily converted into "poverty reduction and human development. This is precisely because economic growth has been combined with a high degree of equity in the distribution of income and --- more importantly --- access to opportunities for production health and education." ⁵ In other words, economic growth does not have be the anti-thesis of human development.

The kind of growth process referred to, herein, is one that is culturally and historically embedded. Thus, providing the avenue for the inclusion and participation of Muslim

⁴ Richard Grabowski, *States Entangled in Markets: The Process of Economic Development*, *The Journal of Developing Areas* 33 (Fall 1998), pp.99-120.

⁵ Oxfam International Report, . *East Asian Lessons*, *East ASEAN Business*, Vol 2. No. 5, (General Santos City: Mindanao Information Network for Development Center, Inc. 1998), p. 10.

and *Lumad* traders and farmers whose economic practices have proven to be more sustainable across centuries. Furthermore, this same culturally embedded mode of economic governance can be used in social service delivery. Community-based health service has proven its worth in provision of basic health care in the Philippines. But an expanded variation of which can be drawn from the experience of Uzbekistan. The recent Manila Social Forum sponsored by the World Bank and ADB featured Uzbekistan's use of the family organizations, the *mahaly*, to facilitate social service delivery.⁶ Thus, cultural traditions and social structures do not exactly impede the development process. In fact, they may enhance the process.

Furthermore, considering the diversity in culture, history, political agenda, economies, ethnicity, development approaches among Mindanao's development actors, there may be a need to foster or evolve a shared paradigm for development --- a negotiated form of development where the State, business and civil society engage each other to pursue development.

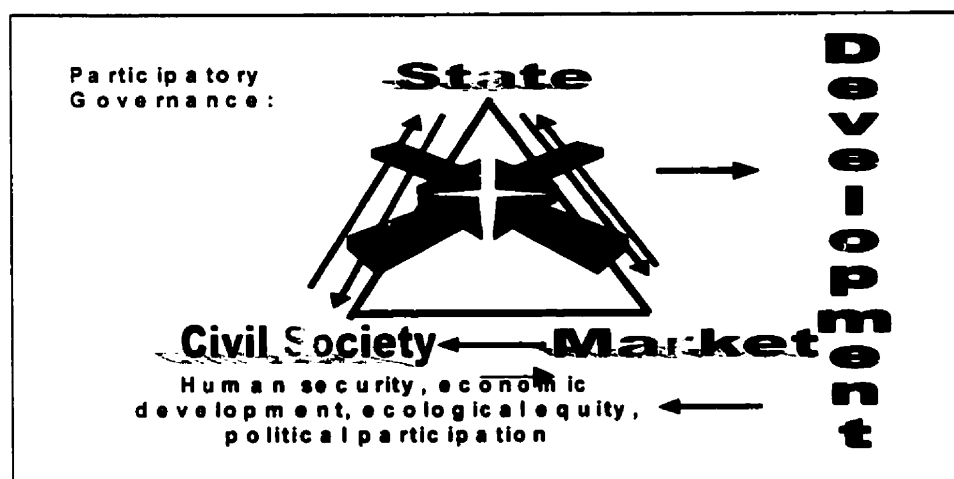


Figure 13.1. A Model for a Negotiated/Participatory Form of Governance

Such recommendation is not entirely new as it has been advocated by the likes of *Kusog Mindanaw* and *Kalinaw Mindanaw*. Such mode of governance allows for inclusivity of all actors in directing the path towards more participation, equity, sustainability, human security.

⁶ See the Manila Social Forum Malhotra, www.worldbank.org/eapsocial/manila99/back1.htm (1999) and Kamal, Rethinking Objectives, Strategies and the Role of Civil Society in Sustainable Development in the Aftermath of the East Asian Crisis, <http://www.democracy-market.org/index1.html> (1999)

Chapter 14. Theoretical and Research Challenges to the Study of Development Governance

The theory of Marchand, Bøås and Shaw on new regionalisms and the research undertaken on Ngai-Ling Sum on geo-governance have indicated challenging directions for research on sub-regional development. The broader perspective on governance that include informal networks of sub-regionalization allowed for the exploration of governance dynamics that give significance to the role of informal networks in the development process. However, broadening the scope of governance necessitates the formulation of a framework of analysis that looks into the dynamics between and among the formal and informal State, business and civil society actors. So far, theoretical tools only provide for the analysis of State-business or state-civil society engagement. Thus, there is a need for a three-dimensional model of looking into modes of engagement among the actors in governance.

An intersectionality perspective of looking at issues of development provides for a deeper and richer exploration of development trends thus, allowing for a wealth of knowledge to be drawn in the research process. However, a methodology for this kind of study needs to be developed and polished to allow for a better integration of the informal sector dynamics in the analysis of development trends. A system of data gathering that goes beyond the use of secondary data or interviews needs to be developed to provide a better grasp at development issues confronting the informal sector in the most efficient way possible. Furthermore, a better way of capturing governance dynamics beyond the descriptive approaches of qualitative research might help to enhance how insights into processes of development governance be analyzed.

APPENDICES

Actors in the Governance of Development in Mindanao Growth Areas

I. STATE ACTORS

A. Global and International Actors

1. World Bank

The World Bank created a Social Fund for Mindanao with an initial funding of US \$10 million after the peace agreement. The said Fund seeks to enable war-torn communities to gain access to basic economic and social infrastructure service, and employment through speedy financing of sub-projects for local development initiatives. The program covers SZOPAD areas and Tawi-tawi is one of the priority project areas. As of December 1999, World Bank's projects in Mindanao focus on human development (with emphasis of women's health and safe motherhood), third elementary education, rural development, rural finance, and conservation of protected areas to name a few.¹ Among the growth areas in this study, Tawi-tawi is the recipient of four of the projects mentioned except for the ones relating to rural development and rural finance of which General Santos City and Davao del Norte (which includes Samal Island) are recipients of.

2. World Trade Organization

BIMP-EAGA though a sub-regional mechanism for development does not evolve in isolation from global forces. It is in this context that the World Trade Organization (though renegotiations may have been stalled) is seen as a significant actor in the governance of Mindanao's growth areas. The World Trade Organization (WTO) is an international body tasked to "implement the terms agreed upon in the Uruguay Round of the General Agreement on Tariff and Trade (GATT)².

The Organization primarily advocates a paradigm aiming for the sustainable development of member countries' economies primarily through trade expansion. According to WTO's information campaign, the Organization seeks to (1) raise standards of living; (2) ensure full employment and a large and steadily growing volume of real income and effective demand; (3) expand the production of and trade in goods and services; and (4) exert positive efforts to ensure that developing countries secure a share in growth of international trade.³ Because WTO sets trade rules, domestic trade legislation and regulations of member countries are bound to abide by them. Thus, this paper argues that there are actually agents of international bodies like the WTO who are present in member countries to advocate WTO's agenda.

Prior to the November 1999 renegotiations at Seattle, Washington, the WTO/AFTA Advisory Commission in the Philippines launched an information campaign in key growth areas in the Philippines. In Mindanao, General Santos City hosted such a campaign as it is a major site for the production and processing of export products. The purpose of such campaign is to allow participation of stakeholders (e.g. farmers, fisherfolks and entrepreneurs) to examine the challenges and opportunities posed by the WTO. Non-tariff barriers like the phyto-sanitary regulations of WTO are considered to greatly discriminate Mindanao's agricultural products. Consultative sessions were undertaken with the assistance of a non-governmental organization known as AGILE. The likes of the Advisory Commission and AGILE are considered in this study as advocates and agents of WTO.

¹ World Bank, Lending Projects as of December 1999, www.worldbank.org

² From a brochure on The Philippines in the World Trade Organization by the WTO/AFTA Advisory Commission, Republic of the Philippines. Accessed on July 1999 during the consultative Sessions on WTO Renegotiations at General Santos City, Philippines.

³ Secretariat of the WTO/AFTA Advisory Commission, Understanding Globalization, APEC and AFTA, January 1999, p.6

3. Official Development Donor Agencies

Mindanao is a recipient of official development assistance (ODA) from states interested in financing agri-industrial, human resource development and infrastructure support projects. The historical, cultural, and political complexity of Mindanao has led to the involvement of multiple state actors in grooming Mindanao's growth areas. In the period between 1992-1998, the national development program focused on economic growth and human development. The only way these could be made possible in the war-torn Mindanao was through a peace agreement among warring factions.

Peace is considered a process that is an essential component of development. A six-path agenda was forwarded by the government: (1) the pursuit of social, economic, and political reforms; (2) consensus building and empowerment for peace; (3) the pursuit of peaceful, negotiated settlement with the different rebel groups; (4) the implementation of programs of reconciliation, reintegration to mainstream society, and, rehabilitation; (5) the protection and welfare of civilians; and (6) the use of confidence-building measures and peace advocacy.⁴ After decades of armed conflict, the major Muslim rebel group, Moro National Liberation Front (MNLF), signed a peace agreement with the Philippine government in 1995 that drew an influx of development assistance to Mindanao.

With the support of the international community, the national government was able to lay the groundwork needed for its development strategy. The approach to Mindanao's development was eclectic in nature. Along with neo-liberal strategies of privatization, liberalization, and deregulation⁵, the national government embarked on a peace and development agenda with the MNLF that created Special Zones of Peace and Development (SZOPAD) which became the target of development initiatives in Mindanao. SZOPAD is made up of 27 congressional districts and 267 municipalities⁶ including the growth areas in this study namely, General Santos City and Tawi-Tawi.

In line with the peace agreement, SZOPAD will undergo an integrated development process following the guiding principles of sustained economic growth and development. Among the principles are growth and just sharing; mutual acceptance and respect of diverse cultures and beliefs; people participation and development; and community-government partnership. Development is defined, therein, as accelerated socio-economic growth accompanied by peace and order for an improved quality of life. Except for Samal Island, General Santos City and Tawi-tawi are major recipients of development assistance from the following:

a. United Nations System

The concerns of the United Nations in Mindanao are within the basic needs paradigm of development. Attention is given to areas of post-war reconstruction: human rights education, reintegration of ex-combatants, livelihood assistance, maternal and child care, education of children to name a few. Among the UN agencies involved are the UNDP (United Nations Development Program), UNICEF (UN Children's Fund), ILO (International Labor Organization), UNFPA (UN Population Fund), UNESCO (UN Educational, Scientific, and Cultural Organization). Among the primary supporters of these UN initiatives are member nations Australia, Belgium, Canada, Finland, European Union, Netherlands, Norway, New Zealand, Sweden and Spain, and the United States among others.⁷

⁴ Office of the Presidential Adviser on the Peace Process, Toward a Just, Comprehensive and Lasting Peace, October 1993.

⁵ See Medium Term Development Plan 1992-1998 otherwise known as Philippines 2000.

⁶ Winston Jay Fuentes, *Negotiating An Agenda for Peace and Self-Rule in Moroland, Mindanao Focus* Number Four, 1998, p.25.

⁷ MEDCO Secretariat, *ODA Updates in Mindanao, ODA Newswette*, third Quarter 1998.

The Asian Development Bank (ADB), for instance, supports the Comprehensive Mindanao Education Project; Australian Agency for International Aid (AUSAID) provides assistance to non-government organizations through the Philippines-Australia Community Assistance Program; the European Community undertakes relief projects in Tawi-tawi through *Medicins du Monde Instituto per la Cooperazione Universitaria*; Netherlands contributes to the Mobile Information Referral Services for ex-combatants and Spain's *Agencia Española de Cooperacion Internacional* supports vocational skills trainings. Countries like Switzerland, on the other hand, contributed to the straight cost-sharing scheme of the peace process instead of running its own development program in Mindanao.

There are major contributors to Mindanao's peace agenda that have decided to either run their own programs in partnership with non-government organizations, work in close link with local government units, through the national government. Among these are:

b. United States Agency for International Development (USAID)

As a development agency working in the Philippines, USAID's development approaches are eclectic in nature. However, the more common themes are broad-based economic growth, sustainable democracies, stability in population, environmental sustainability, reduction of poverty, and reinforcement of the development potential. Its primary strategies for development include strengthening of markets, increasing productive capacity, infrastructure support, and expanded access and opportunity.⁸

American economic interests in the Philippines are made visible by their investments in the agricultural industry in the Mindanao. Thus, the US\$270 million aid to Mindanao that have accumulated since 1992 does not come as a surprise.⁹ USAID's confidence in the possibility of economic growth for Mindanao came even before the eventual signing of the peace agreement led them to invest millions of dollars in infrastructure support (e.g. road construction, international airport, deep-water wharf) primarily in General Santos City. USAID is likewise taking a lead in the Emergency Livelihood Assistance Program (ELAP) for targeted SZOPAD communities. It contracted a non-governmental organization, The Louis Berger International, to run its peace-related development programs in Mindanao under the banner "Growth with Equity Mindanao" (GEM). General Santos City and Tawi-Tawi are beneficiaries of GEM projects.

USAID also runs a program called Governance and Local Democracy Project (GOLD) in which General Santos City is a beneficiary. The program aimed at democratic decentralization is contracted to another U. S.-based NGO, the Associates in Rural Development (ARD).¹⁰ GOLD provides technical assistance towards more responsive democratic institutions and broadened participation in creation and implementation of public policy. The aim of decentralized governance is to "help communities accelerate the development process and enhance the delivery of public services".¹¹ USAID envisions the Philippines to be a model democracy for newly-industrializing countries (NICs).

c. Canadian International Development Agency (CIDA)

Unlike USAID, CIDA's support to Mindanao primarily focuses on democratic processes, peaceful change and equitable development. Its development agency advocates actions on areas like

⁸ USAID, USAID '98: Program Performance Overview, www.info.usaid.gov/pub/cp98/progrprview.htm, 22 September 1999.

⁹ Greg Rushford, *Boomtown City: How U.S. Foreign Aid Sparked Economic Growth in General Santos City, Philippines*, *The Rushford Report* in the Politics of International Trade and Finance, Washington D.C., March 1999.

¹⁰ USAID, Governance and Local Democracy, www.usaid-ph-gov/ogp/gold.html, 13 October 1999.

¹¹ *Ibid.*

promotion of responsible governance and building private sector capabilities and are guided by cross-cutting themes which include the following: basic human needs; gender equity; environment; and infrastructure services. As of 1999, about CAN\$55.3 million goes to Mindanao. An integrated area development approach is used as a strategy by CIDA in its programs in selected growth areas of Mindanao.¹²

On the matters specifically relating to peace, CIDA invested US\$1.5 million to a Program for Peace and Development (PDAP) in SZOPAD areas. The program is administered by a consortium of NGO networks and undertakes projects like: "provision of basic services; establishment of livelihood enterprises; capacity building for MNLF communities" among many others. Of the cases considered in this study, only Samal Island and Tawi-Tawi are recipients of CIDA projects through the Local Government Support Program (LGSP).

d. Japan International Cooperation Agency (JICA)/Overseas Economic Cooperation Fund (OECF)

Japan provides the largest amount of assistance to Mindanao as of 1998 with a total of US\$854.99 million.¹³ JICA's development aid are primarily for enhancing private sector capacity for infrastructure support¹⁴, infrastructure projects (e.g. expansion of the wharf in General Santos City, and for an integrated development in Mindanao's growth areas (e.g. the Davao Integrated Development (DIDP) Program which includes Samal Island). Having conducted an integrated master planning study for Davao, JICA envisions it as a strategic area of development and investment. Uniquely, the DIDP seeks a comprehensive development that is anchored on the principles of sustainability, economic growth, and modernization.¹⁵

Peace and development initiatives in SZOPAD areas are coordinated by a joint committee composed of the National Economic Development Agency (NEDA) of the Philippines, the Southern Philippines Council for Peace and Development (SPCPD) and the United Nations (UN) System.¹⁶ The primary target beneficiaries are ex-combatants from the MNLF and their communities affected by armed conflict. The delivery of assistance is part of the SPCPD-UN-NEDA-Multi-Donor initiatives in Mindanao. Essentially, the delivery of development assistance is done in a coordinated fashion, yet, without any clear system of division of labor among the donor agencies. Inflow of development aid to Mindanao is, however, coordinated and monitored by the Mindanao Development Council.

e. United Kingdom Department for International Development (DFID; formerly British ODA)

Focusing on nature conservation in the Tawi-Tawi Islands, UKDID works in partnership with World Wildlife Federation initiating social intervention in the Turtle Islands Heritage Protected Area. Through the Integrated Conservation and Development Program, UKDID promotes fish collection as a conservation measure, environmental and ecological studies, gender sensitivity training and micro-enterprise in Tawi-Tawi Islands.

B. Regional Actors

¹² Vivien Escott (Head of Aid, CIDA), CIDA in Mindanao, a paper presented at the Mindanao Investments Forum, July 6, 1999.

¹³ MEDCO, 1998

¹⁴ JICA, ODA Philippines, www.rptokyo.org/oda1.htm, 29 March 1999.

¹⁵ DIDP Project Management Office, Davao Integrated Development Program, 1999.

¹⁶ Mario Joyo Aguya, The Aftermath of Ethnic Violence -- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community, www.incore.ulst.ac.uk/esn/joyo.html, 13 August 1999.

1. The Association of Southeast Asian Nations (ASEAN), the ASEAN Free Trade Area (AFTA) and Regional Restructuring

Although the creation of the growth polygon is attributed to the ASEAN experimentation and trade liberalization advocated by AFTA, BIMP-EAGA is not considered an ASEAN project simply because it does not involve all ASEAN member countries in its conceptualization.¹⁷ The sub-region is discussed in the ASEAN only in relation to other sub-regions within the ASEAN. Thus, it is not within the design of ASEAN to establish growth polygons in the sub-region although they are supportive of such initiatives for as long as they are consistent with ASEAN's vision. The regional association assists BIMP-EAGA, through the Senior Officials Ministerial Meetings, in terms of accessing financial resources for its economic growth as it also serves the purposes of its vision. Because of its indirect hand in sub-regional growth, ASEAN does not directly engage with other actors in Mindanao's growth areas except in dealing with the national government in matters relating to the region.

At Kuala Lumpur in 1997, ASEAN laid out its agenda for the twenty-first century in a document known as ASEAN VISION 2020. Beyond security goals declaring ASEAN as a zone of peace, freedom and neutrality the following are also within the agenda: dynamic development qualified in terms of sustainable and equitable growth through liberalization, mutual assistance and economic integration; enhancement of national and regional resilience; equitable economic distribution of benefits; and reduction of poverty and socio-economic disparities.¹⁸

The primary mechanism for liberalization in the region is the ASEAN Free Trade Area (AFTA) which also covers the BIMP-EAGA in terms of economic geography. The AFTA is not a protective trade block. Rather, it is a regional trading arrangement that promotes intra-ASEAN trade.¹⁹ Of the ASEAN's development agenda, AFTA impacts heavily on Mindanao's growth areas because of the competition that Mindanao's products will receive in the ASEAN market. WTO/AFTA's advocates in Mindanao engage in an information campaign to encourage entrepreneurs to upgrade technologies and services in order for Mindanao's products to ably compete in the international market.

2. Asia-Pacific Economic Cooperation (APEC)

APEC, just like WTO and AFTA, are mechanisms of economic liberalization whose presence in the Mindanao growth areas are only felt through its advocates and agents like the agencies of the Philippine government. APEC during the time of President Fidel V. Ramos became the major arena for his economic diplomacy. Thus, allowing the Philippines to initiate itself into an arena broader than the ASEAN. APEC is not a trading bloc in itself but a mechanism for economic cooperation among states within the rim of the Pacific Ocean. Its significance to the growth areas of Mindanao is the fact that it was through Philippines' involvement with the APEC that President Ramos thought of making Mindanao as an international gateway. Areas like General Santos City were introduced to possibilities of enhancing trade with the likes of United States of America and Canada and promoting trade with countries in the South Pacific. Thus, arrangements like fisheries cooperation between Philippines and Palau came into being.

C. Sub-regional Level Actors

1. BIMP-EAGA Senior Officials' Ministerial Meeting (SOMM) and Working Groups

As BIMP-EAGA is an economic initiative autonomous of other ASEAN projects, it has its own set of political and economic actors at a sub-regional level with a particular political dynamic distinct

¹⁷ ASEAN Public Information on BIMP-EAGA and ASEAN, mcabad@asean.or.id, 17 January 2000.

¹⁸ ASEAN, ASEAN Vision 2020, www.aseansec.org, 19 July 2000.

¹⁹ Research Secretariat of the AFTA Advisory Commission, Understanding the AFTA, University of the Philippines School of Economics, pp. 1,14.

though not totally independent of regional and global developments. Foremost of these are State actors like the BIMP-EAGA working groups which consist of representatives from government agencies of member countries²⁰. BIMP-EAGA is primarily headed by a team of Senior Ministers on trade, industry or economy from governments within the sub-region. The BIMP-EAGA Senior Officials Ministerial Meeting (SOMM) sets the agenda for the sub-region and is the official coordinating body for EAGA affairs. It does not have a central secretariat although each member country has a focal center of its own. BIMP-EAGA member states generally advocate development in terms of growth through intra, sub-regional trade and investment using economic complementation and the growth area concept as vehicles to development.

There are about thirteen working groups with the member states leading two or more groups. For instance, Brunei Darussalam leads the working groups on expansion of air linkages, environmental protection and management and telecommunications. Indonesia, on the other hand, leads groups working on the expansion of seaports and shipping services, people mobility and forestry. While Malaysia takes the lead on joint tourism development, energy and human resource development. Philippines is the lead country for fisheries cooperation, construction and construction materials, and agri-forestry.²¹

D. National Level Actors

1. National BIMP-EAGA Working Groups

a. Department of Trade and Industry

Philippines is normally represented in the working groups by Cabinet members who are appointed by the President. However, official representation to the Senior Officials Ministerial Meetings is within the jurisdiction of the national government and carried out by the Department of Trade and Industry.

As a lead actor in the BIMP-EAGA, DTI promotes the acceleration of national wealth creation through value-adding trade measures. DTI promotes the development and propagation of grass-root, low-cost franchises; the creation of pro-business policies, urban planning and infrastructure programs; "mass-based" enterprises through financial, technical and professional assistance; and the incorporation of the "underground" business operations into the mainstream economy. DTI also promotes the brand development of Filipino products for global markets by setting quality standards and guidelines towards the availment of the seal of excellence for exported products from DTI. Supply chain efficiency is also advocated by bringing down the cost of goods and services from production sites to consumption points and the creation of "regional distribution hubs with post-harvest, refrigerated transport and intelligent warehouses facilities". With the current trend in agri-industrialization in Mindanao, such policy directions impacts on growth areas such as General Santos City and Tawi-Tawi which anchors its development on its export capacity.²²

Curiously, though, the DTI also takes the lead for the Philippines in the working group for construction and construction materials and not the Department of Public Works and Highways. Infrastructure support is a priority of DTI as a lead agency in this particular working group. In 1996, a memorandum of understanding was signed between the local government of General Santos city, MEAGA Corporation of Malaysia, and the Armed Forces of the Philippines - Retirement and Separation Benefits System (AFP-RSBS) to engage in a Build-Operate-Transfer scheme for the construction of General Santos City's circumferential road in support of the fish

²⁰ See appendices for BIMP-EAGA organizational structure

²¹ AFRIM, 1998, PP.14-15. Also in EABC website at www.brunet.bn and at the Regional People's Conference on BIMP-EAGA, 1999.

²² Department of Trade and Industry, Filipino Brands for Foreign Lands, presented at the Mindanao Investment Forum, July 1999.

port and shipping port facilities. A feasibility study on the water system of General Santos City is also underway as an undertaking between the local government of General Santos and Puncak Niaga (Malaysia).²³ A Mindanao railway system, proposed by the German firm DE-Consult, supported by DTI has also been endorsed by Senior Officials Meeting (SOM) on February 1999 as part of the Pan-EAGA Multi-Modal Transport Network System.²⁴ To further facilitate EAGA joint-ventures in construction, DTI has taken the lead in decentralizing the Philippine Contractors Accreditation Board in Mindanao.

b. Civil Aeronautics Board

The BIMP-EAGA Philippine working groups are represented by lead agencies of the government. Hence, on matters relating to air linkages, it is the Civil Aeronautics Board (CAB) that takes the lead. As a lead agency, CAB ensures that the Philippines participates in information exchange on airport facilities and infrastructure, in the coordination of airline schedules, and the development of an "open skies" policy within the sub-region. Among the growth areas being studied, General Santos City and Davao City are targets of such development strategies. To date, chartered flights between Manado, Indonesia and General Santos City are now in operation to facilitate trade and tourism. There are also regular flights between Kota Kinabalu, Malaysia and Davao and Manado and Davao. The air links between Davao and other EAGA countries have also aimed at making Samal Island more accessible to tourists from other EAGA countries, in particular, those coming from Malaysia.

c. Maritime Industry Authority (MARINA)

Expansion of Sea Linkages and Transportation, on the other hand, is the responsibility of the Maritime Industry Authority (MARINA) and Shipping Services. Among MARINA's concerns are the establishment of shipping routes, issuance of bilateral border passes, joint shipping commissions, and joint maritime training in the sub-region. A shipping route has now been established between General Santos City and Davao and Bitung in North Sulawesi, Indonesia.

d. Department of Tourism (DOT)

Tourism is seen as a growth industry in the Philippines and Mindanao as a primary target for tourism development. Infrastructure support, promotion of tourist attractions, and facilitating air gateways are among its major development strategies. General Santos City is being developed as a business and convention center. Samal Island, on the other hand, is being groomed as the Philippines' first tourism estate.

e. Bureau of Fisheries and Aquatic Resources (BFAR)

Enhancement of direct trading through the use of untapped ports like General Santos City and Tawi-tawi are among BFAR's sub-regionalization concerns. Tariff harmonization on canned tuna, harmonization of fisheries quarantine, and bilateral ventures in the sub-region are also being promoted. General Santos City stands as the growth area most likely to be targeted for such initiatives as deep sea fishing, fry trading, tuna canning, fish trading, cold storage ventures, and fish port construction. To date, two deep sea fishing ventures, a fry trading and a tuna canning partnership have been signed between Indonesia and the Philippines. Tawi-Tawi, on the other hand, stands to gain from a proposal for partnerships between Philippines with either Brunei or Malaysia for seaweed culture and processing.²⁵ However, in line with the national development program on food security, BFAR

²³ BIMP-EAGA Working Group on Construction and Construction Materials, Construction and Construction Materials, www.brunet.bn/org/bimpeabc/ccm.htm. Accessed on March 1999.

²⁴ Ibid.

²⁵ BIMP-EAGA Working Group on Fisheries Cooperation, Report of the Chairman of the Working Group on Fisheries Cooperation during the 8th Senior Officials Meeting at Brunei Darrussalam, February 1999.

f. Department of Agriculture (DA)

Agri-industrialization is the primary concern of the Department of Agriculture in EAGA. Having contributed to the working definition of agri-industry as "a system involving different economic actors and institutions that are engaged in the interrelated activities of production, processing, transport, storage, financing, marketing and distribution of specific agricultural produce"²⁶, helps to broker joint ventures for agricultural production. Furthermore, DA seeks to establish an accreditation system for the establishment of *halal* (within the regulations of Muslim rites) meat processing plant in General Santos City. DA also works on food security measures for Mindanao and advocates the harmonization of regulations on quarantine requirements, disease prevention and sanitary and phyto-sanitary standards within the sub-region.

g. Department of Environment and Natural Resources (DENR)

Forestry and environmental protection and management are among the major concerns of DENR in BIMP-EAGA. DENR's primary thrust in the area of forestry is to bring in more bilateral ventures/agreements through strengthened private sector participation. Marketing and promoting forestry ventures, establishing a data-bank, policy-advocacy and partnership building are among DENR's primary strategies. DENR also works with DOT in the marketing of Mindanao's eco-parks. DENR seeks to protect the environment by developing a guide on environmental requirements for doing business in EAGA. Many of its efforts on the preparation of the guidelines (e.g. for industrial forest plantation, on environmental requirements) were shelved due to the Asian economic crisis.²⁷

The link of DENR to the growth areas in the study is primarily through the processing and issuance of the environmental compliance certificate (ECC) for proposed development projects and the monitoring of the projects' impact on the environment as mandated by Philippine legal provisions. DENR is also a major player in the conservation of the sea turtles in the Tawi-Tawi group of islands.

2. Philippine Council for Agriculture, Forestry, Natural Resources Research Development (PCARRD)

E. Mindanao Regional Level Actor

1. MEDCO

In the case of Mindanao, coordination of BIMP-EAGA initiatives in Mindanao has been delegated by the national government to the Mindanao Economic Development Council (MEDCO).²⁸ MEDCO is, likewise, the channel for the national government's development agenda to Mindanao and vice versa. MEDCO envisions development in Mindanao in terms of a "vibrant and flourishing island-wide economy", "broad-based economic growth". The primary strategies employed are through physical integration of Mindanao's people and island into an economic unit that is attractive to the consumer market; direct trade and investment linkages; and social infrastructure (e.g. basic health, education and agricultural service). Sustainability is said to be the guiding principle in MEDCO's development initiatives. People-centeredness, human resource development, plurality, and environmental concerns are the primary values advocated by MEDCO.²⁹ As an agency of the government, its role in Mindanao's development is only to

²⁶ AFRIM, 1998, p.24.

²⁷ DENR, Briefing paper on the Role of DENR in BIMP-EAGA, accessed from DENR XI on July 1999.

²⁸ Corazon Aquino, Executive Order No. 512 providing for the creation of the Mindanao Economic Development Council and for other purposes, March 19, 1992.

²⁹ The MEDCO Secretariat, Mindanao Economic Development Council: Mindanao Ang Pag-Asa, 1999.

coordinate and monitor BIMP-EAGA initiatives. It is neither a policy-making nor an implementing body.

2. Southern Philippines Council for Peace and Development
3. Office of Muslim Affairs

F. Mindanao Sub-Regional/Growth Corridors Level Actors

1. Davao Gulf

a. Davao Integrated Development Program and the Island Garden City of Samal

The Davao Integrated Development Program (DIDP) is an attempt to pursue a program of development that looks into multiple dimensions of development in an integrated socio-economic and geographical unit of Davao Gulf. Each of the four provinces and three cities in the Davao Gulf area are politically autonomous but their respective local government executives have agreed to engage in socio-economic cooperation for a concerted and collective regional development.

DIDP's development agenda is governed by principles of sustainable development as stipulated in the Philippine Agenda 21. However, the focus of the region's development is two-fold: socio-economic (e.g. modernization, creation of regional centers of industrialization, intensification of capacities for trade) and spatial (e.g. five-tier urbanization scheme and a multi-modal transport system). The major strategies involved are : internal integration (i.e. more dispersed population distribution, linkages between small towns and urban areas, integration of the indigenous peoples to DIDP), globalization (i.e. stronger urban centers with specialized functions, establish regional and sub-regional links in Asia, develop outward-orientation among human resources), and high technological services and industries. Under the DIDP, Samal Island is to be developed as a major urban growth center and a special economic zone (SEZ).

2. SOCSARGEN

a. SOCSARGEN Area Development Project

Considering the rapid growth of General Santos City, the Office of the President organized the SOCSKARGEN Area Development Project to oversee the development of the growth area. Based in General Santos City, the project's objective is to ensure integrated development. Its mandate is to integrate, mobilize, monitor and evaluate ongoing development projects in the growth area. Hence, the components of the project include not only economic development; it also looks into the environmental, health, security dimensions of development. The entire project is, however, anchored upon the current flagship program of the office of the President which is food security.

The project devised a thematic and transect approach to development. Since the growth of General Santos is anchored on the tuna industry, the sustainability of the tuna resource is of primary concern. The relationship between upland, lowland and coastal development is given attention and any issue at hand is addressed by looking into the problem in a multi-dimensional perspective. Considering that General Santos City is fishery-dependent, the current initiatives are to ascertain security of fishery resource, to widen access to other fishing grounds and to find alternative fishery-based livelihood like aquaculture.

b. SOCSKARGEN Fishing Industry Steering Committee

Driven by the objective to ensure food security and likewise aim for economic growth, the President of the Philippines issued an executive order to constitute a SOCSKARGEN Fishing

Industry Steering Committee. Seven Cabinet Departments have been tasked to constitute the committee that will formulate a growth strategy for the tuna industry. The move came in response to the current negotiations on tuna catch regulation which may impact on the rate of tuna catch made by the fisherfolk of the SOCSARGEN area that sustains the tuna industry in General Santos City.

G. Local Level Actors

1. Island Garden City of Samal

a. Local Government of the Island Garden City of Samal

Prior to the enactment of a legislation declaring Samal as a component city,³⁰ it was an island with three municipalities, Babak, Samal and Kaputian. Kaputian is the site of the tourism estate proposed by the Philippine Tourism Master Plan. In an attempt to set the direction of local development, the municipality of Kaputi-an, the largest of the three municipalities, formulated a municipal development plan which is still being used by the City as major reference for its development direction. Relatively new, the City's local government has not yet formulated a development plan independent of the DIDP agenda as of the research date.

Based on the Comprehensive Development Plan of then municipality of Kaputian, the local government unit seeks an improved quality of life for its people (e.g. access of basic services) through sustainable utilization of natural resources. Sustainable economic growth that is accompanied by delivery of adequate social services, poverty alleviation, and employment generation is a priority. Because of the agricultural endowments of Samal and the tourism interests of the national government, agricultural productivity should not be sacrificed and, thus, should go hand in hand with tourism development.

b. Infrastructure Monitoring and Advisory Group for Samal Island Tourism Estate Project (IMAG-SITEP)³¹

When the flagship program creating a tourism estate in Samal Island was conceived, infrastructure support was the primary commitment of the government. To ensure infrastructure development aided growth an advisory group consisting of local government officials and representatives from national agencies was tasked with the development of Samal.³² The group also monitored and evaluated ongoing infrastructure projects.

When the status of Samal was elevated to a component city from that of a municipality, it was suggested the IMAG-SITEP delegate its task of launching development programs the island to the City Development Council. On the other hand, the responsibility of advocating policy concerns for the development of the island was delegated to the Samal Island Inter-Agency Coordinating Committee.

2. Local Government of General Santos City

General Santos City has recently finished working on its comprehensive development plan that relies on the "interdependence of economic development, social and political well-being and the natural environment in establishing a sustainable community that offers an acceptable future to

³⁰ Republic Act 8471 creating the Island Garden City of Samal as a component city of Davao del Norte.

³¹ The advisory group consisted of the Governor of Davao del Norte, Department of Tourism Region XI, Department of Public Works and Highways, the National Economic Development authority Region XI, Philippine Ports Authority District Office, Department of Agrarian Reform, Davao del Norte electric cooperation, Presidential Management Staff, Presidential Assistance for Regional Concerns and MEDCO.

³² Minutes of the 12th Meeting of IMAG-SITEP on 7 April 1999

the children³³. It is the goal of the City that the inflow of investments and expansion and diversification of industries in the area does not constrain the capacity of the environment to sustain the needs of the future generation, rather, enhance it. For instance, to ensure continued economic growth while at the same time giving a guarantee on ecological balance the City government created its own investment code that gives incentives to corporations that incorporates environmental protection and community outreach in its programs.

Growth in the city is of importance to the extent that it can generate income and employment and alleviate poverty. And in the quest for growth, the city's livability and vitality shall not be compromised. Thus, a smart approach to development is used to prevent urban sprawl. Integration of economic, social and physical development plans and policies is imperative.³⁴

The office of the City Mayor has also launched a program called FIRST (Fast Integrated Reform for Social Transformation). This program is a continuing campaign against poverty for an improved quality of life. The program advocated government partnership with the private sector to achieve the said ends. Among the many programs of the City government is the SHEEP (Shelter, Health, Education, Environment, Peace and Order) program that gives direct development assistance to the basic sectors in General Santos City (e.g. farmers cooperatives, urban poor) in partnership with donor agencies.

3. Local Government of Tawi- Tawi

As a target area for growth, Tawi-Tawi has also identified its assets. With nature as its primary capital, the local government of Tawi-Tawi promotes tourism as a major vehicle for growth.

II. BUSINESS ACTORS

A. Global and International Level Actors

4. Islamic Development Bank
5. Friends of Mindanao

B. Regional Actors

1. US-ASEAN Business Council (UABC)

The US-ASEAN Business Council is not a direct active actor in the BIMP-EAGA. Chosen as a potential link that can facilitate investment in BIMP-EAGA, the East ASEAN Business Council (EABC) lobbied for a partnership with the UABC.

C. Sub-regional Actors

1. East ASEAN Business Council (EABC)

A sub-regional corporate body known as the East Asian Business Council (EABC) is the official business sector representative to BIMP-EAGA. Its primary aim is to serve as a catalyst for private sector involvement in development through activities such as business matching and the promotion of trade and investments in the sub-region. EABC sees itself as taking the lead in the development of the sub-region by mobilizing economic cooperation activities among corporate actors within the sub-region. For instance, development can be distributed evenly within the

³³ City Planning and Development Office, Mission Statement of General Santos City's Planning and Development Office, www.mindanao.com/gensan/index.htm, accessed 3 February 2000.

³⁴ General Santos City Economic Management and Cooperation Development Office 1999 General Santos Facts and Figures, Philippines: General Santos City.

growth area if a capital rich business actor from one island can invest in a natural resource rich but capital-strapped venture of another actor in an island of another state. Furthermore, EABC took upon itself to promote business interaction and promotion not only within EAGA but, likewise, link EAGA to international business networks. EABC prides itself on the creation of a strategic alliance with the US-ASEAN Business Council. EABC is also working on a comprehensive data bank on BIMP-EAGA to be launched on cyberspace.³⁵

Born in November 1994 during the first EAGA Business Convention in Davao City, Philippines, EABC was formally launched in 1996 and now holds an official secretariat base in Brunei Darussalam. The Council membership boasts of representation from business leaders in all islands of the growth polygon. EABC holds representation to the BIMP-EAGA Senior Officials Meetings. The meetings provide EABC with the opportunity to engage in cooperative efforts on areas of trade and investments, as well as thematic concerns in particular working groups, with State actors in the sub-region.

C. Mindanao Region Actors

1. Mindanao Business Council

Responding to growing trade opportunities in the sub-region, members of the Mindanao business community from the Philippine Chambers of Commerce and Investment (PCCI) organized a non-stock, non-profit organization in 1994 called the Mindanao Business Council. Its primary aim is to advocate a more integrated approach to Mindanao's economic development. Among its primary strategies are the advocacy of economic and infrastructure policies that facilitate growth. Along with these, MBC looks into opportunities for access to domestic and export markets, provides a linkage between investors and entrepreneurs, and provides support for access to market information and for business proposal preparations. MBC primarily focuses on the growth acceleration of small and medium enterprises (SME) in Mindanao.³⁶

At the height of EAGA business and cultural exchanges between 1994-1996, Mindanao Business Council provided links between EAGA investors and Mindanao entrepreneurs in partnership with the East Asian Business Council (EABC), MEDCO, GEM and local government units of Mindanao. During and at the aftermath of the Asian economic crisis, MBC rallied behind the business sector to secure continued production and industrialization in Mindanao despite the decline in foreign investments. In July of 1999, to secure continued growth in Mindanao, MBC focused its marketing strategies on domestic investors and markets through events like the Mindanao Investments Forum held in the country's capital, Manila.

2. Growth with Equity Mindanao (GEM)

Growth with Equity Mindanao is a project funded by the USAID it has been contracted out to U.S.-based consulting firm, Louis Berger International, Inc. GEM's primary agenda is to ensure economic growth in Mindanao through the creation of a critical mass of economic activity by building up small and medium enterprises (SMEs) and community-based initiatives that guarantee real equity partnerships.

Just like the MBC, GEM facilitates business-matching ventures between outside investors and entrepreneurs in growth areas like General Santos City and Tawi-Tawi. GEM gives due attention to business possibilities from agri-industrialization in the growth areas. Thus, GEM's activities include not only business-matching but also the provision of technical support for small entrepreneurs (e.g. putting together business profiles and proposals, starting up businesses,

³⁵ BIMP-East Asian Business Council, www.brunet.bn/org/bimpeabc/about.htm, accessed 16 January 2000.

³⁶ Mindanao Business Council, www.minbiz-online.org, accessed 2 February 2000.

technology transfer, information access like developments in WTO negotiations) and policy advocacy (e.g. more investor friendly policies).

Unlike other NGOs, GEM is run "with capitalist fervor rather than missionary zeal".³⁷ Louis Berger International, Inc. hired Filipinos with business and entrepreneurial skills to run its program in Mindanao. The development project that resulted is run like a tight business operation with "stringent performance criteria and fiscal targets" much akin to a "countryside corporate banking" operation.³⁸ Its development workers have to ensure that they meet their investment targets, otherwise, their remunerations are affected.

Unlike business operations, though, the services of GEM are free for its target beneficiaries.

3. Mindanao Development Bank (MDB)

In response to the call of the government for private sector involvement in countryside development, the Mindanao Development Bank launched a venture capital accompanied by a program known as the Resource Innovation for Small and Medium Enterprises (RISE). To foster the growth of small and medium enterprises (SMEs), it provides professional expertise to entrepreneurs and mobilizes funds to finance commerce, industry and agriculture. It works in partnership with business leaders from Manila and Mindanao, the Development Bank of the Philippines, the Philippine Veterans Development and Investment Corporation (PHIVIDEC), the Netherlands Development Finance Company, the Armed Forces of the Philippines Retirement and Separation Benefit System (RSBS) and the Private Development Corporation of the Philippines.

D. Mindanao Region Sub-regional/Growth Corridor Actors

1. Ekran Berhad and the Samal Casino Resort

The holding company that wholly owns Samal Casino Resort in the Island Garden City of Samal is Ekran Services, Inc. --- a subsidiary of Ekran Berhad of Malaysia. The company is run by the son of Ekran Berhad's scion. Ekran Berhad's company profile states that it is an investment holding company that primarily engages in property development, timber extraction, trading, project management, resort business and casino operation. Ekran Services, Inc. is the first company to invest in the resort development of the Samal Island Tourism Estate and as such is considered a development actor.

2. The Business Sector and the Tuna Industry of General Santos City

a. RD Group of Companies

Among the business players in General Santos City's development, RD Group of Companies is an interesting case. As a business player in development it has a vision of establishing "enterprises that will provide job opportunities for the Filipino people, minister to their spiritual needs, and improve the quality of their lives". Furthermore, RD also has the "desire to actively participate in the transformation of our country into a roaring economic tiger of Asia".³⁹

RD's business ventures are diverse. However, fishing is on the top of their list. Among their fishing/fisheries-related companies are the RD Fishing Industry Inc., the RD Tuna Ventures, Inc., the RD Prawn Farm and Hatchery, South Sea Fishing Ventures, Phil., Inc, the RD Food Processing and Export corporation, and the Dadiangas Fishing Supply, Inc. Also based in

³⁷ Rigoberto Tiglao, Aid With Strings: Unusual US-Funded Scheme Gets Results, 28 November 1996, p.77-78.

³⁸ Ibid.

³⁹ Rodrigo E. Rivera Sr., *A Word from the President* in RD Group of Companies Corporate Profile brochure, 1999.

General Santos are the RD Ranch, Tropicana Express and Transport Corporation, Peninsula Rural Bank Inc., RD Credit Corporation, the RD Realty Development corporation, and the Celebes Insurance Agency. The pawn shop business, RD Pawnshop, Inc., that started all the corporate ventures now has its head office in Cebu City. RD also has a 20% interest in the Celebes Canning Corporation and in the Mindanao Medical Center.

RD is also an investor in Papua New Guinea. Together with a 20-year license agreement, RD fielded 12 sets of superseiners (catchboats) in Papua New Guinea waters and established the RD Fishing PNG Ltd. and RD Tuna Cannery PTY Ltd.

b. Southern Cotabato Purse Seiners Association (SOCOPA)

Primary beneficiaries of the growth in the tuna industry and at the same time hardly hit in the industry's decline, the purse seiners in General Santos City's fishport have organized themselves to secure the welfare of the industry and everyone involved in the fishing process. For the owners of the fishing vessels/fleets, further access to tuna fishing grounds, joint ventures with other countries involved in tuna fishery, favorability of tuna fishery regulations and the security of their vessels/fleet are of primary concern. SOCOPA, thus, lobbies and participates in national and international negotiations on tuna fishery regulations and possible joint ventures, provides search and rescue patrolling against tuna vessels piracy and during sea mishaps, and disseminates information to purse seiners regarding the tuna fishery.

SOCOPA also provides periodic health check-up for vessel crew members, explores alternative livelihood possibilities for workers of fishing vessels, upgrading of skills in maritime navigation among the crew of the fishing vessels, and ensure the repatriation of all seafaring crew of purse seiners held in other countries.

3. Shemberg Corporation, Sumitomo Corporation and the Seaweeds Industry

III. CIVIL SOCIETY

A. Global and International Level Actors

1. Habitat for Humanity International (Jimmy Carter Work Project)

With the goal of providing housing for the needy, Habitat for Humanity engages foreign volunteers and local communities in voluntary. Using work equity (called a sweat equity in the program to describe the required 400 work hours for voluntary housing construction) as a strategy, Habitat helped build shelters for the needy population of General Santos City.

2. Federation of Maranao Association in Saudi Arabia (FEMAS)

This umbrella organization of at least 20 Maranao associations in the Kingdom of Saudi Arabia supports the struggle towards an independent Islamic state in the Philippines. With the Filipino Muslim elite and professionals as its organizing members, the Federation conducts advocacy of Moro issues through the internet and links with Moro organizations in Mindanao to help provide social and economic support to the cause of their Islamic brothers and sisters.

3. International Islamic Relief Organization (IIRO)

Services of the IIRO in the Philippines was first offered by Muhammed Khalifa, brother in-law of reported terrorist Bin Laden, in 1991. It is a humanitarian NGO that is committed to poverty alleviation and relief operations in areas affected by armed conflict.⁴⁰ In Mindanao, IIRO engages

⁴⁰ IIRO in www.arab.net/iiro accessed on February 4, 2000.

in relief services and financial assistance during calamities, offers scholarships to Muslim youth and funds for the construction of mosques and orphanages.

B. Regional Actors

1. Focus on Global South

In the cycle of advocacy, research has always been an important tool. Focus on Global South engages in progressive development and policy research. Based in Thailand, this non-governmental organization conducts regional and global analysis particularly on issues relating to globalization, regionalization and development that impact on developing countries. And because of its thrust of policy advocacy, Focus on Global South initiates micro and macro linking and advocacy work with non-government and people's organizations in Asia Pacific and other regions.⁴¹ It currently engages in policy and development research and advocacy in BIMP-EAGA with the Alternative Forum for Research in Mindanao and participates in the Regional People's Forum on BIMP-EAGA.

2. Initiatives for International Dialogue (IID)

By providing a venue for exchange among the peoples of Southeast Asia and bringing the issues of the region to the world, Initiatives for International Dialogue hopes to contribute to the development of the region. Among its strategies are linking people through cyberspace, internships, cultural exchanges and solidarity tourism.. By doing so, IID hopes to promote understanding and solidarity and provide accessibility to information on issues confronting communities in and peoples of Southeast Asia.⁴² Furthermore, IID enables mobilization work for issues affecting the likes of East Timor and engages in Global Education. IID, based in Mindanao, is a co-convenor of the Regional Peoples Forum on BIMP-EAGA and maintains its web site.

C. Sub-Regional Actors

1. Regional People's Forum on BIMP-EAGA

Alarmed by the neo-liberal trends observed in the BIMP-EAGA initiatives of the state and business actors, non-government organizations and people's organizations in the BIMP-EAGA convened a forum to assert a development agenda of their own for the sub-region. A people's agenda was advocated that gave preference for an environmentally, socially and economically stable path to development in the sub-region. Greater social, economic and gender equity, protection of national sovereignty, guarantees for the rights to exercise self-determination and cultural integrity, respect for ancestral domain and human rights, avenues for people's participation in governance and political reforms toward democratization capture their concept of development.⁴³

D. National Level Actors

1. *Kilusan ng Magbubukid ng Pilipinas (KMP)*

This national movement of landless farmers of the Philippines advocates sustainable agriculture. The movement fights for the rights of traditional farmers, protects endemic seeds for future generations, develops productive technology and advocates the use of economically-feasible and environmentally-friendly means of raising crops.

⁴¹ Focus on Global South 1999 in www.focusweb.org

⁴² Initiatives for International Dialogue 1999 in www.iidnet.org

⁴³ Proceedings of the Regional People's Conference on the BIMP-EAGA held on April 1998 in www.iidnet.org/eaga-watch/region-workshop.htm

This development goal came in the wake to the use of bio-technology in the Philippines. The National Biosafety Committee of the Philippines has recently approved the field-testing of genetically-engineered corn for large-scale plantations. While top-seed and chemical giant corporations like Pioneer Hi-Bred, Agro-Seed Corporation and Cargill which is based in General Santos City may benefit from developments in bio-technology, KMP feels that future agricultural production of the country may be controlled by bio-technology innovations and the corporations that reproduce such technology. Furthermore, large-scale farming of bio-genetically cultivated seeds will prevent local farmers from breeding traditional crops.⁴⁴

E. Mindanao Region Level Actors

1. *Kusog Mindanao*

Kusog Mindanaw is network of peace partners in the Mindanao region that is essentially a multi-sectoral and sociopolitical formation concerned with the symbiotic relationship between peace, development and democracy. It is a gathering of leaders of Mindanao-wide sectoral federations or coalitions advocating a Tri-people participation in development, social justice and equitable and sustainable development.

Facilitating consensus-building, *Kusog Mindanaw* was catalyzed and facilitated by the Technical Assistance Center for Development of Rural and Urban Poor (TACDRUP), the Mindanao Congress of Development NGOs (MINCODE) and by a consortium of peace organizations - the Mindanao peace Advocates' Conference. *Kusog Mindanao* is, however, composed of State and Non-State actors namely: Mindanao Business Council (MBC), the Mindanao Lawmakers Association (MLA), the confederation of Mindanao governors and City Mayors (CONFED), the Mindanao Municipal Mayors' Movement, the Mindanao coalition of Development NGO Networks (MINCODE), the Mindanao Peace Advocates' Conference (MPAC), the Mindanao CBCP/NCCP.Ulama League, Mindanao Academe, Mindanao Cooperatives and other Mindanao-wide PO Federations.⁴⁵

2. *Kalinaw Mindanaw*

3. Moro National Liberation Front

The MNLF is the more secular secessionist movement of the two major rebel groups in Mindanao. It is the group the entered into a peace agreement with the Philippine government in 1996 and whose members are now the primary beneficiaries of community-based development aid from donor agencies.⁴⁶

4. Moro Islamic Liberation Front

⁴⁴ Peasants Hit Rushed OK of Mutant Crop Gamble, www.natural_law.ca/genetic/NewsSept-Oct99/GEN9-3IndiaPhilAustr.htm, 27 August 1999.

⁴⁵ From the brochure of *Kusog Mindanao*, (1999).

⁴⁶ See the following: Fuentes, Winston, *Negotiating an Agenda for Peace and Self-Rule in Moroland*, MFOCUS, No. 4, (1998); OPAPP, *Toward a Just, Comprehensive and Lasting Peace*, (OPAPP:1997); *Growth With Equity in Mindanao Program, Mindanao Development. Mid-Term Report*, October 1995-March 1998; and Mario Joyo Aguya, *The Aftermath of Ethnic Violence --- Post-War Reconstruction in the Southern Philippines: Preliminary Assessment of the Role of the International Community*, www.incore.ulst.ac.uk/esn/joyo.html, (13 August 1999) for details.

⁴⁷ See Shiek Abu Zahel, *The Moro Jihad: Continuing Struggle for Islamic Independence in southern Philippines*, www.islam.org; Crescent International, *Bangsamoro Muslim's determination to establish an Islamic State*, March 16-31, 1999 and *Maradika* (the official Publication of the Central Committee of the MILF), June 1999.

The MILF is the Islamic secessionist movement in Mindanao whose primary development agenda is the establishment of an autonomous Islamic state. It also seeks to reclaim the ancestral and territorial territories of the Muslims that are now in the hands of Visayan and Luzon settlers and under the control of the government.⁴⁷

F. Local Area-Specific Actors

1. Samal

b. TACDRUP

TACDRUP is a Davao-based NGO that works in close partnership with the current local government of the Garden Island City of Samal to establish an alternative community-based agri-tourism program. TACDRUP is, however, considered a regional NGO. It is also a lead proponent of policy advocacy and NGO-government collaboration in BIMP-EAGA initiatives.

c. SLS-CARBMCO

SLS-CARBMCO is the cooperative of the agrarian reform program beneficiaries in Samal Island from whom the land used for the tourism estate was leased.⁴⁸ Its primary development objective is to help establish the alternative sustainable livelihoods for the displaced farmers of Samal.

d. Resource Ecology Foundation for the Regeneration of Mindanao (REFORM)

When the Samal Island Tourism Estate Program required a community organization component, REFORM stepped in to offer technical assistance for purposes of community development. REFORM worked towards "self sustaining, ecologically balanced environment with sound processes and technologies". The focus of their program in SITEP was primarily on community organizing and organizational development of the SLS-CARBMCO from whom Department of Tourism leased the lands on which the tourism estate will be constructed. A lump-sum fund of PHP10 million was earmarked for the community development programs. Among the strategies they employed were action training research, skills and investing training and leadership and community process enhancement.⁴⁹

e. Coastal Resource Management Project

2. General Santos City

a. SHED (Social Health and Environment Development)

Changes that come with development are often accompanied by health risks. Social Health and Environment Development (SHED) in General Santos helps prevent increased health vulnerabilities by employing research and outreach programs. The growth in fishing industry in General Santos opened the City's ports to numerous fishing vessels and their crew and to enterprising people engaged in the sex trade. SHED provides the government's Department of Health and the World Health organization with technical support in researching and monitoring cases of sexually transmitted diseases (e.g. acquired immune deficiency syndrome) and socially diseases related to the workplace. The organization also initiates outreach initiatives for sex workers with the assistance of USAID through PATH. SHED also provides technical assistance in the assessment of USAID livelihood-assisted projects in Mindanao.

⁴⁸ Hipolito, Rommel, Behind the Samal Island Tourism Estate (SITE), Mfocus, Volume 14, No. 2, (1996).

⁴⁹ REFORM, Inc. Samal Island Tourism Estate: Final Report, unpublished paper submitted to the Department of Tourism Region XI, Philippines (1995)

b. Mahintana Foundation

As an advocacy organization, Mahintana Foundation is more concerned in issues relating to environmental protection in the pursuit of General Santos' development. Its primary thrust is legislative advocacy to ensure the passage of ordinances that guarantee the protection of the environment and to limit or prevent environmental hazards that emanate from human activities.

c. Rotary Club of General Santos

A civic organization, the Rotary Club of General Santos contributes to the development of the City by providing social services through their outreach activities. Their activities include health care provision and education (e.g. immunization, monitoring of polio cases, medical and dental clinics, drug abuse prevention education), educational assistance (e.g. literacy and career development programs) and enhancement of community cooperatives engaged in livelihood projects. Furthermore, this organization composed of professional workers from government and private corporations also work in partnership with Habitat for Humanity to provide better shelter for the needy of General Santos City.

d. Mindanao State University (MSU) in General Santos City

As a partner in peace and development initiatives in Mindanao, MSU provides educational opportunities for the minority populations in Mindanao like the Moro Muslims and the Lumads. The University also contributes to the peace process by helping to integrate ex-combatants of the MNLF into mainstream civil society through peace education.

e. Maguindanaon Development Foundation, Inc. (MDFI)

Promoting social development among the *Moros*⁵⁰, *Lumads*⁵¹, and Christians, MDFI is a non-profit organization that runs the Wise Center or the Workforce Information center in General Santos City. The organization provides skills development, facilitates employment processes, and provide opportunities for matching people's skills with the demands of a particular workplace. The current program of MDFI is funded by the USAID through SPEED (Strategic Program Enhancing Education and Development).

3. Tawi-Tawi

- a. Kabang Kalikasan ng Pilipinas (World Wildlife Federation in the Philippines)
- b. Coastal Resource Management Project
- c. Apostolic Vicariate of Jolo

The Roman Catholic Church in the Philippines took its evangelization mission to the southernmost islands of the country and established an apostolic vicariate that does not only conduct its spiritual mission but also undertakes development work around more temporal concerns. The vicariate reaches out to Christians in Jolo, Bongao, Siasi, Cagayan de Tawi-tawi, Bato-bato, Sitangkai and Tabawan where the majority of the population has embraced Islam.

The vicariate initiates social development projects focusing on housing, education, health, and livelihoods. It runs a mass media ministry with a radio station, DXGD, in Tawi-Tawi which encourages inter-religious and inter-community collaboration. Its social development ministry supports income-generating projects (i.e. dried flower arrangements, sewing, and t-shirt-making) and the organization of cooperatives. Housing projects (e.g. Kusulutan housing projects of 404 units) have also been initiated. Health care provision, education and parochial ministry

⁵⁰ The noun used to refer to the indigenous peoples of Mindanao who have embraced Islam.

⁵¹ The noun used to refer to the indigenous peoples of Mindanao who have not embraced Islam as their faith.

accompany the establishment of basic ecclesial communities in their areas of ministry like Tawi-Tawi.⁵²

d. **SHINE (Social Health Insurance Networking and Empowerment)**

Areas as remote as Tawi-Tawi are often deprived of appropriate health services. With the dearth of professional health providers willing to go to such areas, often, community health organizations fill the gap in health care. SHINE, in partnership with the German Agency for Technical Cooperation (GTZ), Department of Health and the Philippine Health Insurance Corporation, initiated community health programs for Tawi-Tawi's communities.

With the goals of sustained quality health care and an efficient, effective and equitable health insurance system, SHINE works towards the following: transfer of health care technologies into the hands of the people, prevention of health-related vulnerabilities, and capability-building through participation in SHINE's activities. With the support of GTZ, SHINE assisted the Medical Mission Sisters in the reorientation of the services of the Holy Family Hospital in Bongao, Tawi-Tawi towards more responsive community-based health care.⁵³

⁵² Catholic Bishops Conference of the Philippines, [Apostolic Vicariate of Jolo](http://www.cbcp.net/jurisdictions/jolo.html), www.cbcp.net/jurisdictions/jolo.html

⁵³ Social Health Insurance Networking and Empowerment, [SHINE Project](http://www.shine.org.ph/home/club.htm), www.shine.org.ph/home/club.htm, 3 July 1999.

INCENTIVES FOR TOURISM INVESTORS¹

Attractive incentives are offered to investors through Republic Act No. 7042, Executive Order 226, Executive Order 63, Republic Act No.6957, Republic Act No.7916 and Executive order 1037.

To avail of these incentives, all investors have to do is get in touch with the Office of the Secretary, Department of Tourism, which directly handles tourism investments. There is also a tourism desk at the One-Stop-Action-Center of the Board of Investments (BOI).

Any person regardless of nationality may be allowed to invest in the Philippines in new ventures and/or existing activities provided applicable laws are observed.

With the promulgation of **R.A. No. 7042** or the **Foreign Investment Act of 1991**, foreign nationals are allowed to invest up to 100% equity participation in new or existing economic activities that are not otherwise restricted under said law.

E.O.226 or the **Omnibus Investment Code** authorizes the BOI to grant fiscal incentives to tourism enterprises. These are

- Income tax holiday.

E.O.63 promotes foreign investments in tourist-related projects and tourist establishments. Any foreign investors who invests at least fifty-thousand dollars (US \$50,000.00) or its equivalent in other currencies acceptable to the Central Bank of the Philippines may apply. The incentives granted are:

- Special Investors Resident Visa
- Remittance of Earnings
- Repatriation of Capital
- Right of Succession

R.A.No.6957 as amended by R.A.7718 entitled "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure projects by the Private Sector, and for other Purposes" institutionalizes the government's adoption of the Build-Operate-Transfer (BOT) scheme as a proven method of encouraging the investment and participation of foreign and local contractors in the country's infrastructure development program. The main incentives offered are:

- A wide array of business prospects nationwide, plus assurance of each prospect's viability.
- Access to a new source of funding since government's thrust is to assist and give the private sector access to Official Development Assistance (ODA) which the country gets from the international community.
- Opportunity to participate in government's efforts to accelerate countryside development.

R.A. No.7916 or the **Special Economic Zone Act of 1995** - An act providing for the legal framework and mechanism for the creation, operation, administration, and coordination of special economic zones in the Philippines, creating for this purpose, the Philippine Economic Zone Authority (PEZA), and for other purposes.

¹ from the Department of Tourism XI, Samal Island Tourism Estate Sales Mission, 1999

Summary of incentives Under the Omnibus Investments Code¹
 (Source: BOI-based information collected by MIND Center)

Incentives	EO 216	EO 217	EO 218
Income Tax Holiday	6 years for pioneer, 4 years for non-pioneer, extendible by 2 years.	6 years, extended by 2 years.	100% income tax holiday.
Income Tax Reduction	Additional 5% investment allowance on capital expenditures.	Additional 5% investment allowance on capital expenditures.	Additional 5% investment allowance on capital expenditures.
Other National Tax Exemptions	Wharfage dues, export taxes, import & fees, contractor's tax.	Export taxes, imposts & fees, contractor's tax, wharfage dues.	Not Applicable
Import Tax & Duty Exemptions	Machinery, spare parts, domestic breeding stock, and other materials.	Machinery, spare parts, domestic breeding stock, and other materials.	Machinery, spare parts, domestic breeding stock, and other materials.
Taxable Income Deductions	50% of all wages of increment in direct labor.	Same as Pioneer Enterprise	Not Applicable
Tax Credits	Domestic breeding stock, genetic materials, imported machinery, equipment, and other materials used in the production of goods, capital goods, and other goods (100% of amount paid) have been paid in taxes.	Same as Pioneer Enterprise	Same as Pioneer Enterprise
Local Tax Exemptions	Contractor's tax, all local taxes except for real property taxes.	All local taxes except real property taxes.	Contractor's tax, all local taxes.
Other Incentives	Simplification of customs procedures, duty-free import of consumed goods, importation of foreign materials.	Overseas employment & other incentives, importation of machinery, equipment, and other materials, duty-free import of foreign materials.	Overseas employment & other incentives, importation of machinery, equipment, and other materials, duty-free import of foreign materials.

¹ www.mindanao.com

SCHEDULE OF RESEARCH ACTIVITES, OFFICES VISITED AND PERSONS MET

Date	Office	Person Met/Spoken to
April 19, 1999	Office of the Presidential Adviser on the Peace Process	Alma Evangelista Executive Director IV
May 3-4, 1999	Mindanao Economic Development Council (MEDCO)	Nelia Agbon Executive Director Joanne Michelle gonzales Information Officer
May 4, 1999	Ateeo de Davao (Governance Office)	Cora Gumban Staff
	Growth with Equity Mindanao (Davao)	
	Kusog Mindanao (Secretariat for the Mindanao Peace Forum)	Rey Magno Teves Executive Director (INTERVIEWED)
May 5, 1999	Ateneo de Davao (Center for Governance)	Cora Gumban
	Initiatives for International Development (Office of the Regional People's Forum on the BIMP-EAGA)	Augusto Miclat Executive Director
	Alternative Forum for Research in Mindanao	Malou Feranil Senior Researcher on the Baseline Study on the BIMP-EAGA
	Local Government Support Program Regional Office (Davao City)	Dodo Naquilla Executive Director
May 6, 1999	Technical Assistance for Development of Rural and Urban Poor	Cesar Ledesma Executive Director
	Mindanao Economic Development Council	Joanne Michelle Gonzales
June 20, 1999	Bureau of Fisheries and Aquatic Resources	Dennis Candia
	House of Representatives Library	
June 21, 1999	Office of the Presidential Adviser on the Peace Process	Bambi Magdamo
June 22, 1999	Department of Environment and Natural Resources (EMB Division)	
July 1, 1999	Mindanao Business Council, Davao City	Emma Remitio Executive Director
	Technical Assistance for Development of Rural and Urban Poor	Cesar Ledesma Executive Director (INTERVIEWED)
	Department of Tourism XI	
July 2, 1999	MEDCO	Joanne Michelle Gonzales
	DOT-Samal Island Tourism Estate Project	Engr. Gonzales
	DENR (Planning Office)	Marcia Isip Chief, Planning Division

	DENR (EMB)	Bienvenido Libayon
	Magsaysay Park	Margie Moran-Floreindo and ABS-CBN (Gen San/Margie on Mindanao) Production Crew
July 3, 1999	Samal Casino Resort	Set appointment with Mr. Michael Ting, General Manager/Owner
July 4, 1999	Samal Casino Resort	Ocular visit Interview with working Staff
July 5, 1999	DOT (SITEP)	Research on studies on government commissioned studies on Samal Island
		Interview with project engineers
July 6, 1999	Mindanao Investment Forum, Makati City, Manila	Emma Remitio and Staff of the Mindanao Business Council Staff of the Philippine Chamber of Commerce
July 7, 1999	Mindanao Investment Forum	Joji Ilagan Bian Mindanao Business Council, Chairperson Paul Dominguez, ex-Presidential Adviser on Mindanao and MEDCO Chairperson (INTERVIEWED) Atty. Cabanban SOKSARGEN Area Development Project Noel Dacalos LGSP, Davao Vivien Escott CIDA Government officials, investors (national government, Manila and Mindanao-based)
July 8, 1999	Bureau of Fisheries and Aquatic Resources	Dennis Candia
	DENR (EMB)	
	OPAPP	Nenette Quelenderino Bambi Magdamo
	Armed Forces of the Philippines	Col. Garcia, Team Member, Phil. Gov't on Spratly Islands
July 9, 1999	Philippine Information Agency	On research
July 10, 1999	ABS-CBN General Santos	Jessamae Samson Research on footages on tuna industry, tourism, etc.
July 11, 1999	Exploration of General Santos	

	Wet market	
	ABS-CBN	Research on feature on Sex Industry in the Fish Port Area
July 12, 1999	Growth With Equity Mindanao (General Santos)	Renne Subido Project Director
	Cotabato City	
July 13, 1999	Camp Abubakr	Camp Commander , officers, mujahidin, mujahidad of the Moro Islamic Liberation front
July 14, 1999	Camp Abubakr	Trainees, Military Academy Child soldiers Hashim Salamat, leader of the MILF and cabinet members of the MILF
July 15, 1999	TACDRUP, Davao City	Mr. Cesar Ledesma
	LGSP	Noel Dacalos Rosanna Fernandez Dodo Naquilla
	DOT (SITEP)	Project Engineers Clifford Ilagan, Community Development Officer
July 16, 1999	GO Mindanao Tourism Expo	Hotel/tour operators
	City Government Samal Island	Engr, Ana Lea Zapanta City Planning and Development Coordinator
	Mandaya Hotel	Rodrigo Rivera, Jr. Executive Vice President RD Fishing Margie on Mindanao Crew ABS-CBN
July 17, 1999	Marco Polo Hotel	Gemma Araneta-Cruz DOT Secretary Margie Moran Floreindo ISO Montalvan Executive Assistant (FCRAP) And White Mountain Adventures in Bukidnon
July 18, 1999	Samal Casino Resort	Michael Ting Tour Operators (Philippines)
	Go Mindanao Tourism Expo	
July 19, 1999	DOT (SITEP)	Project engineers
	DOT	Catalina Dakudao Regional Director
	LGSP	Rosanna Fernandez
July 20, 1999	DOT (SITEP)	FGD with DOT personnel involved in the SITEP
	DOT	Catalina Dakudao
	Samal Island	Roger Antalan Mayor City administrator and economic development officer Mr. Cesar Ledesma
July 21, 1999	Barangay Calumpang, General Santos	Brgy. Captain

	RD Fishing	Simeon Camoro Assistant Vice President (INTERVIEWED)
	WTO Renegotiations, Sydney Hotel	GEM, WTO Advisory Council Secretariat, Fishing operators, business sector
July 22, 1999	Tuna Cooperative, Market 1 Barangay Hall	Restie Polito
	SOKSARGEN Area Development Project	Bayani Fredeluces
July 23, 1999	Samal Island, Davao	
	TACDRUP	Mr. Cesar Ledesma
July 24, 1999	ABS-CBN, Gen San	Editing, recording footages from field visit to Camp Abubakre
	South Cotabato Purse Seiners Association	Fely O. Lim Executive Director
	Fishport	Fishermen, testers
	Growth with Equity Mindanao	
July 25, 1999	SOKSARGEN Area Development Project	Engr. Agripino Leonico Atty. Cabanban Bayani Fredeluces Menian Amenkhan
July 26, 1999	Tambler Barangay Council	Merlita Patricio Eduardo Asuque Serio Asunto Rufino Villgonsalo
July 27, 1999	Gen San- Davao-Iloilo	
	DOT	Clifford Ilagan (SITEP)

EXAMPLES OF BIMP-EAGA WORKING GROUP ACTIVITIES (Memorandum of Understanding (MOU) and Joint Venture Agreements (JVAs, etc.)
(Source: www.brunet.bn, 1999)

FISHERIES COOPERATION

MOUs/JVAs SIGNED:

Deep Sea Fishing	6
Seaweed Cultivation	4
Fishing Gear	1
Establishment of Ice Plant/Storage	1
Establishment of Fishing Port	1
Trading of Fishery Products	3
Tuna Canning	1
Yellowfin Tuna Farming	1
T o t a l	18

NEW DIRECTIONS:

- Enhancing trade among SMEs
- Tariff harmonization on canned tuna
- Fisheries quarantine

OPPORTUNITIES:

- Additional air and sea routes
- Specialised vessels for fishery products
- Infrastructure, e.g., fishports, market roads

Agro-industry

PROPOSALS:

- Trial shipment in three routes, particularly involving areas not since linked, e.g. Palawan, Sabah, Brunei;
- Brunei to provide guidelines on accreditation system for establishment of halal meat processing plant in General Santos, Philippines;
- Monitoring system for agreements;
- Philippines and Indonesia to prepare Investment Handbook;
- Review for the harmonization of regulations on the movement of animals, particularly those concerning quarantine requirements, disease prevention, and sanitary and phytosanitary standards;
- Special committee to possibly ease existing laws on land lease and tenure policies of the four member countries;
- Task Force to oversee the potential in vegetable imports.
-

MOUs/JVAs SIGNED:

Fruits and Plantation Crops	12
Ornamentals and Vegetables	11
Field grains and Root Crops	7
Livestock and Poultry	5
T o t a l	35

OPPORTUNITIES:

- Specialized ships to ply burgeoning EAGA routes
- Field grains and root crop projects, e.g., corn production and trading, urea trading, cassava plantation, etc.

Joint Tourism Cooperation

OPPORTUNITIES:

- **Joint Cruise Development.** The Working Groups on Tourism and Air Links are undertaking measures to generate interest in EAGA as a single tourist destination. These include EAGA-wide holiday packages, and non-EAGA pick-up stations, among others.
- **Craft and Cultural Villages.** In getting to know our heritage and bringing it to the world, Craft and cultural villages have been established in Cagayan de Oro, Mindanao (Malasag Eco-village); Sarawak (Sarawak Cultural Village); and Penampang, Sabah (Monsopiad Cultural Village).
- **BIMP-EAGA Travel Exchange (TRAVEX).** The first exchange held in Davao City on 15-17 March 1997 brokered 4 Memoranda of Agreement (MOA) and 17 Memoranda of Understanding (MOU).

WORKING GROUP PROPOSAL:

Malaysia proposed that the present Asian Youth Exchange Program on the Japanese vessel Nippon Maru be encouraged to cover specific points in the BIMP-EAGA region, as this will be very helpful in promoting the region as a popular tourist destination among Asian youths.

GOVERNMENT INITIATIVES:

Indonesia has eliminated fiscal taxes for its citizens traveling to BIMP-EAGA regions from certain designated ports. The Philippines has likewise continued its implementation (until 2000) of non-payment of travel tax for citizens bound for EAGA destinations from any port in Mindanao.

Environment Protection/Management

PRIVATE SECTOR PROJECTS AND AREAS OF COOPERATION:

- Establishment of environmental science institute
- Medical waste treatment
- Toxic waste management
- Urban sanitation for water, sewerage, solid waste
- Privatization of urban infrastructure
- Toxic waste collection, treatment, and disposal
- Waste transportation management
- Transboundary movement of toxic waste
- Remote sensing and air surveillance capability
- Liquid waste water & sewerage recycling (recovery of potable water)

BANNER PROJECTS:

- Guide on Environmental Requirements in EAGA
- Environmental Guidelines for Development
- Waste Management Programs in EAGA

Forestry

PROJECTS LAUNCHED:

The number of projects launched totals 13, which primarily includes seminars on social forestry, forest plantation, forest fire prevention (government); wood waste utilization, wood processing, joint study on establishment of a manufacturing plant, ecotourism development, and establishment of a rattan resource and manufacturing center (private sector).

GLOSSARY OF TERMS

State - refers to public authorities charged with the welfare of their respective populations.¹ In the research, refers to governments (local, national, subregional) and the structures they create in pursuit of their respective development agenda: for instance, the local government units (i.e. Davao Integrated Development Program), MEDCO (The Mindanao Economic and Development Council), and the BIMP-EAGA working groups

Civil Society as a popular force...an autonomous group action (distinct from and the State)...an expression of collective will independent of the established power, both economic and political. In a bottom-up sense, CS is the realm in which those who are disadvantaged...can mount their protests and rich alternatives.² Examples include the International Initiatives for Dialogue, Regional People's Forum on the BIMP-EAGA, *Kusog Mindanao*, TACDRUP, Mindanao Islamic Liberation Front in the Mindanao growth areas.

In a top-down sense, it is an agency influenced by States and corporate interests to stabilize the social and political status quo.³ In Mindanao, the Louis Berger International which runs the Growth with Equity in Mindanao Program ---funded by the USAID in partnership with the Office of President in the Philippines

Market - refers to the private sector (business, corporate sector) engaged in profit-making activities and "generating employment and income".⁴ In Mindanao, the corporations and medium to large-scale entrepreneurs, the Mindanao Business Council, and the East Asian Business Council for instance.

Approaches to development- agenda and strategies towards a quantitative or "qualitative evolution to a fuller, better, or different state."⁵ Examples include the neo-liberal, dialectical transformation, sustainable development, gender and development, integrated development, basic needs, comprehensive development approaches.

Governance - the political dynamics between the State, the market and the civil society.⁶ Also refers to the "sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process...(that) includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people have agreed to or perceive to be in their interest" ⁷whether it be locally, nationally, regionally or on a global scale. May be described in terms of *modes of engagement* (i.e., repression, rivalry, competition, contracting, cooperation, complementarity, collaboration)⁸ in terms of *involvement or participation* (i.e. functional involvement, interactive involvement and self-mobilization).⁹

¹ Tuathail, Herod, Roberts, (1998)

² Cox, (1999)

³ Ibid.

⁴ UNDP, (1997)

⁵ Daly, 1998

⁶ Shaw and Schnabel, (1999)

⁷ Commission of Global Governance in Massicotte, 1999

⁸ Coston, (1998)

⁹ Pretty (1995)

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