THE PHILIPPINES AND ITS 'RED WAR'
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EXECUTIVE SUMMARY

While the spotlight has shifted on the Islamic militancy and the Marawi Crisis in recent times and the subsequent declaration and extension of Martial Law by President Duterte in the southern Philippines, the country’s ‘Red War’ in the form of a decades-long insurgency might be on the brink of a consolidated reignition. Extending an olive branch to the communist insurgents was one of the first initiatives of the Duterte administration. However, in a recent outburst, the incumbent President with his firebrand oratory warned the torchbearers of the communist movement in the Philippines to avoid attacks on security personnel and extortion from local businesses. President Duterte even went to the extent of proclaiming an indefinite suspension of peace talks with the communists, until a stringent ceasefire was enforced. On the other side, the in-exile Chairman of the Communist Party of the Philippines (CPP), Jose Maria Sison called the declared martial law a precursor for the establishment of a dictatorship in the southeast Asian country. Notably, the Duterte government had inducted multiple CPP members into the cabinet as a part of the peace process and related integration back into mainstream politics.

This report sheds light on the origin of the communist movement in the Philippines, its current aging leaders and the potency of the communist insurgency that has spread its influence across the country over the years and still encompasses around 3,000 armed rebels who have continued to challenge the government. Further, the report also elaborates on the approach of previous governments with respect to dealing with the communist rebellion and emphasizes on the distinct methods utilized by the Duterte administration to placate the ‘Reds’, including specific information on the ongoing peace negotiations. Lastly, it highlights the traditional and renewed effects, the communist insurgency has had and is liable to have on foreign investment and domestic businesses in the coming months and years.
THE COMMUNIST MOVEMENT: AN INTRODUCTION

The communist movement has branched out into more than a dozen political, trade, student and armed rebel groups over several decades. However, the CPP, the National Democratic Front (NDF) and New People’s Army (NPA) have dominated the ‘Red Space’ in the Philippine political setup. The NPA has been the biggest security challenge faced by Philippine forces since the formation of a republic in the southeast Asian country. The influence of the NPA in multiple regions of the Philippine archipelago has only been challenged by the Muslim insurgent elements in the southern Philippines. That said, the Muslim insurgency has been as yet contained in the southern Philippine island of Mindanao, while the Communist movement has spread across the country, with CPP/NPA military factions and bases in several pockets of the nation. The CPP/NPA has continued to exert its influence in specific rural areas in various provinces of Luzon, Visayas and Mindanao regions, and have persisted, despite constant targeting of the ‘Reds’ by the Armed Forces of the Philippines (AFP) and Philippine National Police (PNP). The major divisions in the communist movement are highlighted in the infographic below.
Jose Maria Sison has been the ideological father of the Communist movement in the Philippines, given that he established the CPP in the 1960’s. However, after being exiled in the late 1980’s after Ferdinand Marcos’ ouster by the ‘People’s Revolution’, the communist leader went into a self-imposed exile, despite the fact that he was released by the Corazon Aquino government on account of her ‘National Reconciliation’ initiative in the aftermath of more than 20 years of Marcos’ iron-fist rule. That said, Sison’s release from prison was strongly opposed by the Philippine military, given the alleged accusations made by the communist leader and his associates against the Aquino government, with respect to curtailing human rights. Currently, Sison resides in the Netherlands as a political refugee and is reportedly suffering from colon cancer. His influence over the communist movements and its operations have been limited in the recent years, due to his health and the rise of new leadership in the communist movement in the Philippines. The communist outfits in the Philippines have notably been at loggerheads with the Liberal Party that has been the dominant political force in the country following Martial Law and Marcos’ departure. The ‘Reds’ who had earlier welcomed President Duterte’s ascendancy to the presidency have now taken a contrasting stand, especially after the imposition of Martial Law in the southern island of Mindanao following the ‘Marawi Siege’ perpetrated by Islamist terrorist groups. In response to Duterte’s verbal attacks on the resident communist leadership in relation to recurring NPA attacks on AFP personnel in the Philippines, the leftists have continued to deride Duterte for his ‘War on Drugs’ and the imposition of Martial Law as means for consolidating power and establishing a dictatorship, similar to the Marcos rule.
So long as it resolutely, militantly and thoroughly carries out it’s ideological, political and organizational building, the Communist Party of the Philippines is certain to lead the broad masses of the Filipino people of various nationalities and ethno-linguistic communities to total victory in the national democratic revolution against US imperialism and the local reactionaries; bring about the start of the socialist revolution.

Keeping the above-mentioned proclamation made by Armando Liwanag (Chairman, Central Committee of the CPP) in mind, the CPP envisions a Communist Philippines, in accordance with Maoist principles directed at achieving equivalent rights and benefits for every citizen. The Communist protracted war consists of three distinct phases.

i) Strategic Defensive
ii) Strategic Stalemate
iii) Strategic Offensive

The Communist struggle has sustained itself due to the on-ground situation in the Philippines, where a decentralization of power is yet to have commenced, with most benefits of the country’s growth being concentrated in the northern island of Luzon. This is perceived to have marginalized the Visayas and Mindanao regions, that have been identified at hotspots for the Communist insurgency. Having said that, the Communists can be perceived to have lost the ideological battle in the Philippines, taking into consideration that the ‘Red Movement’ has been marginalized to only certain regions where either the NPA enforces law and order or the local government has no connection with its people and has supposedly indulged in corrupt practices. Further, the repeated attacks by the NPA have led to thousands of casualties over years of fighting and has led to discontent in multiple regions with regards to the communist movement.
AREAS OF INFLUENCE

Areas of influence of the communist movement extend from certain areas on the northern Luzon island to vast regions in the Visayas and Mindanao. The map shown below provides a comprehensive understanding of the regions of Communist influence in the Philippines.

The areas marked in red in the above map are indicative of communist attacks that have occurred across the country and the reach of the Communist movement. Having said that, the map does not project areas where the Communists exercise complete rule and the government remains a non-existent entity. The communist movement currently exercises considerable control over parts of the southern Tagalog region, Visayas and areas in Mindanao, with an emphasis on Davao where the peasantry has accused the government of high-handedness while dealing with their grievances. The ‘Mendiola Massacre’ in which government forces fired on unarmed peasants who had reached Malacanang Palace (Presidential Residence) to demand action on land reforms in 1987, has been a rallying point for the communists in the Philippines. 13 protesters were killed while more than 100 were injured in riot police firing.
In the process of fighting its protracted people’s war, the CPP/NPA has continued to target the rural areas in the Philippines while taking advantage of the vast hinterlands in certain provinces to stage attacks on the AFP, US forces stationed in the Philippines, commercial establishments and at times even on local politicians. Utilization of guerilla tactics by the communists coupled with the movements strategic organization into units of varied sizes, from a meager 10-fighter unit to a unit that comprises of 200 heavily-armed rebels, has led to the communist insurgents’ claiming victories in multiple skirmishes and clandestine missions. The Sandatahang Yunit Pampropaganda (SYP) that are armed units consisting of 8-20 fighters have been instrumental in spreading the communist agenda, with non-conformists usually being converted into targets for the NPA. One of the major sources of funding for the communist movement has been the ‘revolutionary taxes’ collected by the NPA from businesses in its circle of influence. The NPA charges around two percent of any project in the pipeline. The communist movement is perceived to earn approximately 19 million USD (2 billion Philippine Peso) from the taxes it levies on commercial enterprises.
APPREACH OF PREVIOUS GOVERNMENTS TOWARDS THE COMMUNISTS

The ‘First Quarter Storm’ a Communist agitation that comprised of regular demonstrations and rallies between January-March 1970 announced the political arrival of the CPP in the Philippines. Since then, the Communist insurgency has had a complex relationship with the political class and successive Philippine Presidents. In the beginning of the Communist movement in the Philippines, the ‘Reds’ received arms and ammunition from their leftist comrades in the Chinese government. However, as the CPP started gaining support across the country, recruiting approximately 20,000 fighters for its armed-wing, the NPA. In the late 1970’s, the government under President Marcos began a stringent crackdown on the communists, leading to mass casualties on both sides of the political divide.

In 1971, following a grenade attack by CPP/NPA members at a Liberal Party rally in Manila, which the liberals accused President Marcos of orchestrating, the authoritarian government began mounting targeted attacks on the communist movement. The Marcos government gained additional support following the government suppression of the leftist rebellion, a result that was anticipated by Jose Maria Sison, the mastermind behind the Manila attack. Further, in 1972, an assassination attempt was made on the incumbent Defense Minister in the Marcos cabinet, which allegedly led to the declaration of Martial Law throughout the country.

During this phase, the political opposition was suppressed and most communist leaders were either killed or imprisoned. The Martial Law period attracted thousands of Philippine nationals to the CPP/NPA ideology, leading to a distinct swell in the number of NPA rebels. By the end of the People’s Power Movement, the CPP again managed to garner support from the urban areas of the Philippines. Aiding this effort was the scenario in the southern Philippines where the army was involved in neutralizing Muslim insurgent elements. Following the election of the Corazon Aquino government in 1986, under the reconciliation initiative, the administration released most Communist leaders and began negotiations with the CPP/NPA. However, the CPP/NPA that intended on voiding negotiations with the government, began infiltrating rural villages demanding reforms and finally culminating in the death of 13 peasants in police firing outside the Presidential residence. In retaliation, with the motive of instigating another military reaction from the government, the CPP/NPA launched attacks on Manila. However, this led to a loss of face for the CPP in the urban regions of Luzon, which remains the seat of power till date.
During the rule of the President Gloria Macapagal-Arroyo, the CPP/NPA was listed as a terrorist organization by the US at the behest of the incumbent President. Between 2000-2010, the AFP carried out targeted military operations against the CPP/NPA leading to a drastic drop in their numbers. By the time Benigno Aquino III assumed power, the CPP/NPA had lost hundreds from its ranks and weakened as a political organization. A ceasefire that was declared after consultations, was violated by the NPA and led to a resumption of hostilities between the government and Communist rebels. Thus, keeping the abovementioned history of the Communist struggle in mind, it can be cited that while consecutive governments have continued with their attempts of engaging the ‘Reds’, the CPP/NPA due to the lack of a strong central leadership, factional feuds within the movement and monetary as well as political reasons have continued to sabotage the efforts of the Philippine government. A similar scenario might arise in relation to the suspended peace deal under the Duterte administration.
DUTERTE ADMINISTRATION, THE PEACE DEAL AND ITS APPARENT FAILURE

The Duterte government has faced multiple challenges with respect to the rise of Islamist terrorist groups in the southern island of Mindanao. May it be the pledging of allegiance to IS by several Islamist groups, including the Abu Sayyaf, that gained popularity for its abductions targeting foreign nationals and brutal killings or the formation of new terror groups such as the Maute with similar goals of establishing a ‘Caliphate’ in the southern Philippines. The militancy scenario reached its apex following the ‘Marawi Crisis’ in which the Maute group laid siege to Marawi City, in the Autonomous Region in Muslim Mindanao (ARMM) after the Philippine military began combing operations to capture a wanted fugitive by the name Isnilon Hapilon (Commander of IS-inspired Abu Sayyaf faction), who was hiding in the city. In the aftermath of the escalation, President Duterte declared Martial Law across the southern island of Mindanao. Further, the government under the pretext of unending fighting in Marawi extended Martial Law until the end of 2017. Following this announcement, the NPA declared its overt opposition to Martial Law and the called for counter actions and offensives across the country to defeat the government forces, that it claimed were liable to indulge in human rights violations and extrajudicial killings.

Then Mayor Duterte addressing a Communist gathering
Succeeding the declaration of the general elections results in 2016, and Duterte’s triumph with a landslide victory, the former Mayor of Davao City, opened several channels of engagement with the Communists. Notably, Duterte remains the only elected President of the Philippines, known to have cordial relations with several Leftist leaders, including Sison. The Communists reciprocated and declared a ceasefire, that lasted for several months as the President inducted members of the CPP in his cabinet to further integrate the ‘Reds’ in the political apparatus of the country. While localized attacks continued to occur at regular intervals, no major attack was witnessed in areas of influence of the CPP/NPA as the peace process was initiated. Following four rounds of negotiations between the Duterte government and the Communists, the fifth round of talks slated for May 27-June 1 2017, was suspended due to an uptick in NPA attacks at multiple locations across the country. This ceasefire was earlier suspended unilaterally by Duterte in February 2017, after the Communists demanded the release of 400 ‘political’ prisoners. In an unprecedented move, the NPA launched an attack on the Presidential convoy in mid-July injuring four bodyguards of the President.
While the antagonism persists between the incumbent President, his cabinet and the Communists, sources indicate that the suspension of a ceasefire does not signal the end of talks between the insurgents and the government. Presidential Adviser on the Peace Process, Jesus Dureza has repeatedly stated that peace talks can continue with the NDF (representative of CPP/NPA in peace negotiations) only if the insurgents lay down arms and adhere to unilateral/bilateral ceasefires declared by both parties. Dureza also stressed on the NPA to cease extorting commercial benefits from local and multinational businesses in the country. In the scenario that the CPP/NPA decides to reign in its rogue elements and resolves the factionalism with the communist movement, the probability of striking a peace deal with the current national dispensation remains high as compared to its predecessors. That said, given the record of the CPP to renege on assurances, even in the case the government accepts most of the demands made by the Communists, the ‘Reds’ are unlikely to give up arms and work with the government for their shared goal of decentralized economic development, a pre-poll promise of President Duterte.
EFFECTS ON BUSINESS

Given that Martial Law remains imposed in Mindanao, and taking into account that President Duterte has warned of a similar situation arising in other regions of the Philippines, in the eventuality of a militant escalation, the Communists are likely to be skeptical of the motive behind the imposition of Martial Law. The army has been accused by the ‘Reds’ of violating human rights and carrying out summary executions under the garb of eliminating the Muslim insurgent threat. Taking into consideration that, the Communist movement had received additional support in the rural pockets of the country during the Marcos-imposed Martial Law, gives credence to the argument that a surge in Communist ranks might be round the corner, specifically in the Visayas and Mindanao regions. While the government in Manila, maintains an absolute control over the country, the challenge emanating from Muslim insurgents in Mindanao and the Communists in their areas of influence is likely to alarm investors. Further, given that the Communists control or exert influence over areas across the archipelago nation, in case an escalation occurs in opposition to the Martial Law in Mindanao, the situation is liable to have negative effects on the Philippine economy, that remains one of the fastest-growing economies in the world. Prices of essential commodities will prospectively increase and a shortage might also be witnessed nation-over if the Communist movement spirals out of control as seen during the Marawi Crisis.
Further, a potential increase in the military presence across the country could lead to drastic effects on the movement of goods. Furthermore, a future bolstering of the Communist movement, might, in turn, lead to more ‘Revolutionary Taxes’ and a bigger burden for local businesses. Moreover, given that most natural resources including metallic minerals such as nickel and copper deposits lie in the areas of influence of the Communists, a leftist rise might lead to excavation and supply chain issues for the government, that is actively engaging countries such as China and Russia with an eye on Foreign Direct Investment (FDI). Thus, the Muslim insurgency in the south with a revival of the Communist movement in the Philippines might act to further complicate the political situation in the southeast Asian nation and test investor confidence in the Duterte administration.
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