

Private Sector Involvement in Bangsamoro Peace Agenda

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Abstract

For over 40 years, Bangsamoro territory has been the site of a number of armed resistance between different liberation fighters and the Philippine government. The private sector has nonetheless continued its operations inside the Bangsamoro society despite the unstable peace and order regime. This article explored the impact of a myriad of risk exposures to companies through interviews of four key-informants and the use of Business for Peace (B4P) paradigm. It particularly examined employee and community management mechanisms created in adapting to its dynamic security environment. The companies operated by working in and with the community, as well as assigning combatants to leadership roles. Understanding the local population's grievance, contributing to their well-being by creating employment, and keeping a neutral position in the conflict are the measures identified through this study. As the 2014 peace deal involves the private sector as one of the stakeholders towards the realization of enduring peace, this research captures elements of intervention that can address grievances of the Moro community, particularly on historical injustice and the right to self-determination.

1. Introduction

In March 2014, the Government of the Republic of the Philippines (GRP) and the MILF signed the Comprehensive Agreement on the Bangsamoro (CAB). This final peace agreement culminated a 17-year formal negotiation between the two parties and ended protracted social conflicts in Mindanao. CAB is mainly carried out through two tracks, a political track and the normalization track. The former focused on the ratification of the Bangsamoro Organic Law (BOL) and establishment of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) composed of the provinces of Maguindanao, Lanao del Sur, Basilan, Sulu, and Tawi-Tawi. The latter is involved in the decommissioning of combatants and aiding them in their transformation as productive members of society, among others.

Challenges to the peace agreement ensued despite the 2014 CAB. Two notable potential peace spoilers include the Mamasapano incident of 2015 and the Battle of Marawi in 2017. Described as a covert counter-terrorism operation led by the Philippine National Police Special Action Force (PNP-SAF), the Mamasapano incident ended in a mis-encounter between PNP-SAF and the MILF and the death of 59 lives from both parties due to an alleged lack of coordination (de Jesus and de Jesus, 2016). Meanwhile, the Battle of Marawi in 2017 lasted for five months between GRP forces, and Abu Sayyaf Group and the Maute Group elements, a political clan that has affiliated itself with the terrorist group, the Islamic State of Iraq and the Levant (Asian Development Bank [ADB], 2018). The incident led to the mass displacement of 360,000 individuals, mass hostage-taking, looting, and civilian casualties (Amnesty International, 2017). Nonetheless, the BOL saw its fruition in July 2018, and the transition period is well in its place.

The peacebuilding agenda in the Bangsamoro attempts to address century-long issues on historical injustice and the right to self-determination that are rooted in colonial legacy and prejudice based on identity. The peace process encapsulated in the normalization track boasts a unique peacebuilding agenda as it blends both disarmament, demobilization, and reintegration (DDR) and the security sector reform (SSR). This is evidenced mainly by its goals of transforming former combatants and their families into productive members of society. The normalization track also emboldened the private sector as a stakeholder in the actualization of its security and socio-economic development goals. This can be seen in multiple articles in the BOL that set the private sector as one of the key players in trade, Islamic financing, and housing and human settlement programs.

Locating business and peace in the study of peacebuilding has garnered traction in academia. The use of Business for Peace (B4P) and Business and Human Rights (BHR) as analytical paradigms in looking at the role of business and its societal impact on the development agenda have been prevalent in the past decade. The interest in this field was made more pronounced

when the United Nations (UN) promoted international standards on human, environment, and governance through the UN Guiding Principles on Business and Human Rights in 2011 and the UN Global Compact (UNGC). These norms have set forth expectations for States and transnational corporations in respecting and promoting human rights, among others.

Given this context on the peace and business nexus in Bangsamoro, this study aims to understand how businesses operate in a conflict/post-conflict region in the Philippines. Following tenets of B4P, this research investigates the stakes that local businesses and social enterprises have in the overall peacebuilding agenda in the region. The research questions that this research seeks to address are: “What are the risk exposures of companies operating in a conflict-affected area?” and “How do community relationships factor in the company’s overall operations?”.

The signing of the peace agreement in 2014 and the BOL’s eventual passage accorded the private sector space in the overall peace agenda. However, before these developments, local businesses have been interwoven in the region’s culture and social realities. This research traces the evolving exposure of a business operating in a conflict-ridden area, with a keen look at how their presence has helped shape the peace and development in the Bangsamoro.

This paper consists of six sections. The next section explains our methodology followed by the section of literature review on peace studies, business for peace paradigms, and existing research on Mindanao. The fourth section describes history of the Bangsamoro including the colonial past and the land and migration policies implemented by the State. The fifth section presents interview results arranged according to two themes: 1) risks and opportunities in Bangsamoro and 2) building community ties in the area of operation. The final section is the conclusion that offers a summary of the findings and an attempt to establish the roles assumed by the private sector in the overall peace narrative in the Bangsamoro.

2. Methodology

This research undertakes a key-informant narrative analysis approach in understanding the private sector’s role in the Bangsamoro region. This article covers four participants who are business owners or have assumed c-suite roles in the company. Interviews were transcribed and processed using an electronic coding software, MAXQDA. Coding entails a line-by-line reading of the data and assigning summative, salient, and essence-capturing words or phrases (Saldaña, 2009). Codes are sorted and arranged in categories and subsequently analyzed on how each code relates to one another.

In-person interviews were carried out with business owners operating in Cotabato City and Sultan Kudarat, Maguindanao. Using a semi-structured format, the interview provided more

leeway for obtaining descriptions of the world where the interviewee resides (Brinkmann, 2014). These businesses operate mainly in the agriculture, hotel, and real estate industries, where it hires more than a hundred employees. Respondents were asked about the incentives in keeping its operations based in Bangsamoro and opt-out of possibly relocating to other areas. Finally, the research seeks to understand the management approach employed by the business owners in dealing with former combatants that were part of its workforce. In sum, the questions above unpack the private sector's mutual relationship to the community where it operates.

3. Literature Review

Areas in conflict may undergo decades of peace negotiations and, at times, a reshaping of the conflict before it arrives at a peaceful resolution. Galtung (1969) defined negative peace as the absence of direct violence. The ability to identify structural violence and ability to see its manifest and latent forms are crucial in appreciating the conflict in Bangsamoro, given that the core issue rests on alleged injustices. As the way to actualize peace and address structural violence, particularly for conflict-affected communities, Galtung (1975) coined the term peacebuilding. He proposed that it is through peacebuilding that root causes of violent conflict are addressed by creating structures that remove causes of war. Lederach (1997) built upon these concepts of Galtung and expanded the scope of peacebuilding by defining it as “a full array of processes, approaches, and stages need to transform conflict toward more sustainable, peaceful relationships” (20).

Part of peacebuilding in conflict/post-conflict regimes are carried through DDR and SSR processes, where the former ensures the safety transition of combatants to civilian life and the latter covers the placement of welfare programs that disincentivize combatants from joining insurgent movements. The case of Bangsamoro captures elements of DDR and SSR in its normalization program and highlights how the peace deal has allowed normalcy in society to ensue. Lemay-Hebert and Visoka (2017) argued that normalization is a reformulation of existing governmental practices while simultaneously providing spaces for interventionary practices. The authors argued that the restoration and presence of business and traditional actors in a post-conflict setting help restore normalcy and security.

The B4P paradigm has placed a spotlight on private sector as a local peacebuilding partners in conflict affected areas. B4P is a multidisciplinary field lifting from practices in management, political science, law, and business ethics. Fort and Schipani (2002) argued developing economies in the world that are often in conflict zones have increased in number. As such, businesses with an international supply chain end up exposed to high risk of violent conflict. Oetzel et al. (2010),

Forrer and Katsos (2015), and Miklian (2016) argued that B4P focuses on the activities of the private sector in bolstering factors that lead to peace and undermine conflict. Among the identified categories of the private sector include economic development, promotion of the rule of law, social cohesion, and engagement in track-two diplomacy. Private sector operating in Bangsamoro enriches the categories above particularly on the topic of engaging combatants and building strong community relationship.

Research conducted in Mindanao has focused on the conflict, ethnolinguistic relations, and Moro-Christian interactions. Lara and Schoofs (2016) focused on informal economies and its link to the peace and order regime in the Philippines. The scholars further argued that shadow economy are crucial considerations in the fulfillment of the Annex on Normalization and Annex on Wealth Sharing of the BOL. This articulation of informal business having a space in the peacebuilding agenda further bolsters a critical look at the formal business and trade actors.

With the keen focus on informal economy and its impact on the peace and order situation in Bangsamoro, this research tackles the other side of the conversation and analyzes formal economy as a driver of commerce and component of society. It should also be noted that few research has been done on Mindanao that uses B4P paradigm as a framework of analysis.

4. Historical Background of Bangsamoro Conflict

The word Bangsamoro is a combination of the Malay word ‘bangsa’, which means nation, while ‘Moro’ was first used in reference to Islamized natives in Manila and later applied to the Southern parts of the country as they resembled the Moor people in the Iberian peninsula (Kapahi and Tañada, 2018). However, the ‘nation of moros’ dates back before the European colonizers’ arrival and is a narrative of rich cross-border maritime trade and strong political governance. James Warren (1977) recounts that Sulu has appeared in Chinese literature as early as the Yuan Dynasty (1268-1368) as a source for pearl, seaweed, tortoiseshell, and other goods hailing from mainland Mindanao, Basilan, and Borneo. In exchange, Sulu traders bartered for Chinese textile products and earthenware. In the 15th century, the rise of Islam in Sulu and its eventual spread in present-day Bangsamoro provinces gave credence to the political and trade value of the Sultanates in the region (Bara, n.d.). The Tausugs – the ethnic people in Sulu – started to spread Islam in Tawi-Tawi, Basilan, Lanao provinces, and Maguindanao. The Sultanate of Maguindanao became instrumental in spreading Islam throughout the whole of Mindanao and was vital in fighting off expansion plans of the Spanish colonizers.

From 1565, Spanish colonizers succeeded in establishing their stronghold in provinces north of Mindanao, including Cebu and Iloilo in Central Visayas. Local Muslim and Hindu tribal groups

in the islands were converted to Catholicism, and the Rajahnate political system was replaced by Spanish colonial rule. Allegiance to the Spanish crown grew stronger as the colonizers continued sending out missions further north that targeted Manila, a critical trade port and an influential city with strong trade links with Sulu and Brunei. In order to occupy Manila, the colonizers had to invade Brunei and cut off its influence on the city (Bara, n.d.). The city eventually fell to Spanish rule in 1571 and has since then become the Philippines' capital. Majul (1973) described this as one of the six Moro wars that spanned throughout the 300-year Spanish occupation. These wars depicted piracy, negotiation, and armed resistance against the Spaniards to protect the vassals of the Sultanates of Sulu and Maguindanao and, at the same time, established the significance of Moro history to the grand Philippine narrative.

The colonizers used the Moro identity to justify their actions against the Islamic communities. Filipinos who have accepted the colonizers were used to fight Muslims and pit the locals against each other. In order to justify its omniscient presence in the colony, the Spanish colonial government enforced the Regalian doctrine of land ownership, which allowed the colonizers to own lands that they conquered (Calderone-Hayhow, 1994). This doctrine refers to the feudal principle that private title to land must emanate, directly or indirectly, from the Spanish crown. Subsequently, this doctrine made all lands, including that of Moro lands that have not been subjugated to Spanish rule, belong to the State.

The Philippines, including the unoccupied Bangsamoro land, was eventually ceded to America following Spain's defeat (Majul, 1988). With its advanced military force, the Americans were quick to takeover Moro land in Mindanao and Sulu. The American policies underscored the economic value on land, evidenced by the number of policies it imposed in its new territory. One of the American colonial government's initial policies is the Torrens Title System of 1902 that allowed for individual and corporate land ownership (Transitional Justice and Reconciliation Commission [TJRC], 2016). This nullified communal ownership of land, which was the practice inside ancestral domains. Land became a piece of competition among families in Mindanao and has added a layer of complexity to the existing practice of rido in Mindanao. Rido or clan feud (and often synonymous with revenge killing) dates back to indigenous folk traditions and pre-Islamic beliefs in Mindanao (Tan, 2014). It refers to a state of recurring hostilities between families and kinship groups characterized by a series of retaliatory acts of violence, including blood revenge and intertribal warfare, to avenge a perceived affront or injustice (Torres, 2014).

Following titling policy were waves of resettlement programs that became a floodgate for non-Muslim communities' entry to Mindanao. The goal of these programs was to bring workforce to the agribusinesses created in Mindanao. Policies such as the Quirino-Recto Colonization Act saw the construction of more houses and roads in Mindanao, which was complemented by establishing the National Land Settlement Administration of 1939 that invited more Christians to Mindanao

(Abinales and Amoroso, 2005).

During World War II, the Philippines was occupied by Japanese forces from 1941 to 1945. This period saw the rise of a peasant-led movement known as the Hukbahalap (HUK), a Filipino guerrilla movement against the Japanese army, and continued after the war as a communist organization. As an acknowledgment of the contribution of the HUKs, GRP rewarded them with land settlement programs in Mindanao (TJRC, 2016). This was a strategic attempt to push out the communist groups and quell the HUKs outside of Luzon. Moro land has again welcomed outsiders into its ancestral domain. These conflating issues intensified the ill-feeling towards the central government, notably because land continued to slim down.

The Philippine Military in 1968 launched a covert operation where it established a group called Jabidah to create jungle warfare, sabotage, and guerrilla tactics and infiltrate the contested island of Sabah (Majul, 1988). When political opponents of then-President Marcos exposed this covert operation, an alleged 28 Muslim trainees, who were undergoing guerrilla warfare training in Corregidor Island, were summarily executed. This incident, known as the Jabidah massacre, surfaced frustration among the Muslim leaders and is often credited as a trigger for Islamic leaders to create the Moro National Liberation Front (MNLF) in October 1972 that called for an independent Moro nation. MNLF sourced arms from Libya and conducted training in a camp provided by Malaysia (Abinales and Amoroso, 2005). While the initial years caused a financial and political problems to Marcos, the organization's internal issues, particularly the rift among Tausug and Maguindanao leaders, weakened their movement. Certain MNLF members declared a ceasefire with the government in 1976 following the signing of the 1976 Tripoli Agreement between GPH and MNLF (Rood, 2016). Eventually, MNLF personalities held high political and administrative positions, where some were political appointees of former President Marcos (Majul, 1988).

Dissatisfied with MNLF leadership, Salipada Pendatun, Rashid Lucman, and Salamat Hashim created their political organization in 1977 called the Bangsa Moro Liberation Organization (BMLO) that sought genuine autonomy and concerned in addressing the Moro problem in the country (Majul, 1988). BMLO, after failing to receive recognition from the Organization of Islamic Cooperation (OIC) states owing to the standing 1976 Tripoli Agreement, faded away in 1984. Salamat pushed forward in creating an organization that represented the goals of the Moro community, and in 1985, established the MILF. The MILF has grown skeptical with the progress of the 1976 Tripoli Agreement, mainly as it was carried out unilaterally by the GRP (Lingga, 2016). MILF leadership declined to participate in the negotiations and instead traveled to OIC members to gain support while its armed fighters received military training in Afghanistan (Mapping Militant Organization, 2019). During the 1980s, MILF focused on growing its organization, negotiating for autonomy arrangement, and building its military armed wing known as the Bangsamoro Islamic Armed Forces (BIAF). The weak enforcement of the 1976 Tripoli Agreement gave the MILF room to

increase its political presence on the ground by offering social services that included security and Quranic teachings to communities near its camps. These activities reflect MILF's desire for genuine autonomy over its land.

Following the full implementation of the Tripoli Agreement in 1997, MILF signed a ceasefire agreement in the same year with the GRP. In 2000, former President Estrada waged an all-out war operation against the MILF following a break in the peace talks between the two parties, and previous incidents of serious fighting between the two parties. The eventual ouster of President Estrada months after the all-out war operations saw a renewed opportunity for talks to ensue. In 2001, the two parties met in Malaysia and signed the Agreement on the General Framework for Resumption of the Peace Talk. Years following this agreement are characterized in a start-and-stop negotiation as the peace talks began to invite more international players and international NGOs (Rood, 2016). Renewed optimism on the peace talks came with the signing of the Memorandum of Agreement on Ancestral Domain (MOA-AD) in Malaysia in 2008. As international observers and members of the peace panel were en-route to bear witness to this event, the country's Supreme Court issued a temporary restraining order against members of GRP peace panel. Frustrated from these developments, members of the MILF established the Bangsamoro Islamic Freedom Fighter and launched a series of attacks. These incidents displaced 750,000 people and left 400 casualties.¹

The peace talks between GRP and MILF took on a new pace in 2011. A historic meeting between former President Benigno Aquino Jr. and MILF Chairman Murad in 2011 took place in Tokyo, Japan, as part of Aquino's attempt to display sincerity in the renewal of the peace talks. It was also the first in-person meeting between a sitting Philippine president with an MILF leader (Bordadora, 2011). What resulted from here was the 2012 Framework Agreement on the Bangsamoro (FAB), which served as the precursor towards creating a new autonomous political entity, the recognition of a Bangsamoro identity, and discussion on wealth sharing, among others. The final peace agreement, known as the CAB, was signed in 2014.

The Moro people's history is a struggle for self-determination that has been made elusive through centuries of injustices brought by colonial policies. Its entrepreneurial past speaks volumes on how trade and business are well integrated with its social fabrics. It is then crucial to see how business plays a role as the Moros move towards peace.

5. Business and Peace in Bangsamoro

In this section, we analyze the business in Bangsamoro based on interviews of business

¹ "What Went Before: The Proposed MOA-AD" (2012, 9 October). *Philippine Daily Inquirer*. Retrieved from <https://newsinfo.inquirer.net/285604/what-went-before-the-proposed-moa-ad>

owners. We focus on two themes, risks and opportunities and the relationship with communities.

5.1 Risks and Opportunities in Bangsamoro

First, we look at the risk exposures, as well as the business environment in Bangsamoro. With its record-breaking PHP 4.1 billion (around JPY 9 billion) worth of investment in 2019, BARMM is keen on making the region a top choice among investors. Interim Chief Minister Al Haj Murad has spearheaded several international investment missions to OIC member states and has reportedly attributed the development in the peace and order situation as factors to this investment growth (Sarmiento, 2020). As of 2021, the region's Ministry of Trade, Investments, and Tourism (MTIT) announced that programs on business matching, halal industry, and farm tourism are among its top priorities (Bangsamoro Information Office, 2021).

The signing of the peace agreement in 2014 and the continued cooperation between the GRP and the MILF have resonated positively in the business community. However, it is essential to point that businesses have long taken space in the Bangsamoro, even at the height of armed encounters between the two parties. We will examine the way of operations with four examples.

5.1.1 A Company Operating Since the 1970s

Lamsan Inc. is a corn wet milling company owned by a Filipino-Chinese businessman and was established in the province of Maguindanao in 1971. This period in history saw the burgeoning Moro independence movement and heightened political unrest against former President Ferdinand Marcos. Even in such a volatile situation, Lamsan Inc. continued its operations in Nuling, Sultan Kudarat – a forested area that is less than 2 kilometers away from Camp Darapanan, one of the strongholds of the MILF. The company's COO claimed that it continued its operation even when intense armed engagements transpired between the military and liberation fighters:

When we started, you would say that was unlucky part but when we started in '71, Martial Law was declared in '72. There was fierce fighting in that area. We couldn't afford to shut down because we would go bankrupt. We kept operating. Even you see bombing in the air, but to be fair the area was untouched.²

As a pioneer agribusiness in Maguindanao, the company faced issues in the absence of shared services that are often expected from a competitive business environment. There was also a lack of incentives for business, including proper road infrastructure and financial system. From its origin as a corn wet milling company, Lamsan diversified in order to continue its operations:

² Interview on September 12, 2019.

It's very difficult. We want to send our goods somewhere, there is no truck to hire. So we had to put our own trucking company. We want to ship it somewhere, we expanded the capacity, there is not enough shipping lines going in. We have, on our own volition, to negotiate with the shipping lines. You know, in other ports, you have multiple shippers. You have scale. Now, it's like one company negotiating with the shipping line. It's a different negotiation all together.

In addition, given its close proximity to Camp Darapanan, the company has also welcomed combatants rotating in and out MILF services into their workforce. Lamsan believed that the combatants did not pose any threat to their business as their grievances are directed towards the GRP.

They need to work also. And this, they say rebellion, is not really a rebellion. It's more a grievance against some injustice and has nothing to do with civilians. I could say in our experience in BARMM, we never felt threatened. We never. There is no harassment. Nothing.

The COO further claims that the presence of the MILF added a stabilizing force in the community since the MILF would ward off troublemakers that could potentially alert GRP forces and invite unwarranted engagement.

In fact, I consider the presence of the camp and the MILF in that area as a very stabilizing force...if the troublemakers are there, that would give a reason for the military and the police to be there. So, they are the ones who keep out. That is not something that most people outside the area think of, but I consider that . That's one of the most important things, their presence there.

The relationship among the company, the MILF and local security thus had positive mutual effects.

5.1.2 A Company Operating Since the 1990s

On top of the tense political environment in the 1970s, the migration of non-Muslim communities to Bangsamoro that was initially promoted under American Colonial land policies, became a potential catalyst of conflict as Christian settlers began to outnumber Moro communities inside their ancestral land (Abinales, 2016). La Frutera, a large-scale banana plantation based in Datu Paglas Maguindanao, however, has contradicted notions that the apparent religious melting pot in Bangsamoro would invite more conflict among its people. The company started its operations in 1996 and has since then stood out as a textbook example of businesses acting as a conduit for people with varying religious and ethnic backgrounds to work in unison. Its former chairman and

president, Senen Bacani, said that the company workforce is composed of former combatants and people from different religious backgrounds:

It is the first large scale banana plantation in the Muslim area. In fact, it was the biggest investment in that area. It was about USD 20 million (around JPY 2.6 billion). We employed a lot of people, around 2,500. We farm about 1,300 hectares of bananas entirely for export, and our people basically, 95% Muslim and 5% Christian. And we worked well with community leaders.³

The company saw that Bangsamoro, in spite of its peace and order situation, was an attractive location to put the business. Among the main pull factor were the labor cost and environmental considerations.

If you are looking for a lot of land, there is an area where there is a lot of land. In terms of labor, there is a lot but unskilled that you have to train. So, the main attraction there is basically the natural resources...Land you cannot change the land. Climate, you don't have control over climate too. But people you can have control. Machines you have control. It's an offset. It has a low labor cost because the most underdeveloped area in the country, low cost of living, low wages, it has the lowest wages in the country. So, that's an attraction which can be offset by other disadvantages.

Senen Bacani claims that his previous work experience with Dole Foods Company, a pineapple grower company based in Polomolok South Cotabato, gave him confidence that security issues would not overrule their business interests in Mindanao.

5.1.3 A Company Operating Since the 2000s

Positive strides in the peace negotiation and the continued ceasefire between the two parties gave the businesses confidence to expand their interests. In 2009, the Al-Nor Commercial Complex was established in Cotabato City. The commercial establishment was put up by a former Overseas Filipino Worker who was once based in Saudi Arabia for seven years. In his return to Bangsamoro in 1994, Abdulkahar Nul started with a number of small rice trading businesses in Maguindanao.⁴ He observed that his business picked up, which gave him the confidence to venture into the retail industry. In addition, Nul claimed that his identity as a Filipino-Muslim businessman shielded him from the rampant kidnap-for-ransom that predominantly targeted the Filipino-Chinese business

³ Interview on September 9, 2019.

⁴ Interview on September 17, 2019.

community:

Kidnapping was just among the Filipino-Chinese community. I am not a target. I wasn't scared. I wasn't rich. I wasn't anything special. I was still careful, because that time Muslim-Christians, they get kidnapped as well.

Hau (1997) noted that Cotabato City has had unreported kidnappings of Filipino-Chinese during the 1980s. This practice continued until the 1990s, which resulted in several Filipino-Chinese owned businesses pulling out of the city and leaving behind large estates. Nul saw this as an opportunity to expand. His business reports having 700 employees working across his diverse business interests, of which former combatants are hired in his security agency.

In addition, Nul is motivated to show that Moros can own and operate a large-scale business. The Al-Nor complex is currently the most prominent commercial hub in the region, with retail shops, a mall, and a hotel.

Just imagine, all those 700 employees, they have a family. So, a lot of people said that it's not the only thing that I did...There was this senator who once said that the Moro cannot manage even a bread. That is not true. This is the proof. I'm a pure Muslim. But why did I manage to make it? I'm not saying it's the best. But you be the judge and see for yourself. So, I will not say the name of that senator, but it stayed in my mind. What he said pierced through our hearts, that the Moro can't handle it, that we can't even handle bread. That became a trigger for us.

In this way, Nul used his platform to bolster his Moro identity and showcase the trademark quality of a Muslim business owner.

5.1.4 A Company Operating Since the 2010s

The Moropreneur Inc. (TMI), established in 2016, is a social enterprise geared towards incapacitating conflict-affected communities in Bangsamoro by providing them skills to create climate-resilient and community-based microenterprises. According to its Executive Director and Chair, Selahuddin Hashim, the company's name is a play on the words 'Moro' and 'Entrepreneur' to emphasize the entrepreneurial traits of the Moros.⁵ TMI, along with its target community, envisaged a business model that incorporates peacebuilding and sustainable development in its core. As of 2019, the company has helped establish 36 cooperatives on handicraft, oil, local

⁵ Interview on September 03, 2019.

delicacies, and other agricultural products. TMI sees that the social enterprise model helps in reaching the community and adding social value in its operations.

That is why we see that the approach of social enterprise is a very good pathway because it's biased towards the people who are marginalized, the people who are unheard, the people who do not have the voice. These are being tapped. We believe that marginalization is one of the major reasons for forming violent extremist group. For us to be able to combat that is to provide them alternative options that they can actually utilize to empower themselves. We feel that, their needs, their basic needs are being met through social enterprise, then there is a bigger chance that violent extremism would not happen.

Among the target participants of TMI are women, indigenous communities, and people with disabilities. The cooperatives are people-centered in design in order to instill ownership and sustainability in the community. TMI further believes that companies looking to operate in a conflict-affected community such as Bangsamoro must develop a high sense of altruism and champion first social value over profit.

It requires a higher altruism. It requires a higher purpose for companies to invest. I'm not looking at profit as the main factor in investing in communities like in our communities right now. If you are going to the logic of it, why would investors invest in a conflict-affected community?

In over 40 years of armed conflict in the region, the private sector's security risks have evolved. Companies experienced varying threats to their operations as the peace and order situation is reshaped by the developments in the peace negotiation. From direct exposure to high-intensity armed conflict to criminal activities that threatened people's lives, the peace and order situation did not deter the private sector from Bangsamoro. The natural resources, climate, and labor remained essential in keeping one's operations in Bangsamoro. While risks remained apparent throughout the company's business operation, it should be noted that business owners have developed a strong sense of calculation that their investments would pay off. In the 2010s, the advancement of the peace process resulted in establishment of a social enterprise which not only copes with risks but even includes peacebuilding in its agenda.

5.2 Building Community Ties in the Area of Operation

Respondents of this research believed that relationship with the community and having a full appreciation of the people's grievances helped sustain their operations. This sub-section focuses

on the relationship of the same four businesses in the area they operate and traces how companies developed their management style in dealing with the community and the former combatants in their workforce.

5.2.1 Helping Communities

Lamsan's COO, despite being born a Filipino-Chinese, described himself as Bangsamoro owing to the years of living and conducting affairs in the region. The company reinforced its ties with the community by locally sourcing its agricultural products for its corn wet milling segment and agricultural waste like rice husk and corn cobs for its renewable energy segment. In addition, the company has helped provide basic services for both its operations and its surrounding community.

Outside of the city, there is no pipe water, there is no tap. There are no basic sanitary facilities. So when we donate, it's always deep well. That's the most basic thing...And we also like to give back. We feel like it's a challenge that we want to make it bigger, locally grown. It is like whatever we do, helps the local society at large in BARMM and then it's a point of pride. We could say that we can do it on our own.

In terms of managing former combatants in the workforce, the company claims that it has not adopted any specific policy apart from the standard human resource training. Conflict sensitivity training for businesses is a crucial element for businesses operating in conflict affected settings as it helps in mitigating risks and reduce potential negative impacts (International Alert, 2016). Lamsan claims that they deal with former combatants the same way they do for any other hired employee. Nonetheless, the company is aware of the unique practices of these employees:

You know the concept of 8-hr workday? That's not in the vocabulary. That's our personal experience. You work and suddenly after 3-hours, everyone is gone. 'What happened? They are tired so everyone went home'. It's an 8-hr workday and then 'Sir, they're already tired'. So the concept of 8-hr workday is not there. And the most common job application is security or bodyguard.

One element that a company should consider when it hires people is if it also has the capacity to fire people. While some of the employees allegedly tested the company, its COO believed that through constant reminder of the work structure, Lamsan was able to manage the former combatants and help them transition into productive members of the business.

Of course there are threats to the business or there are challenges. That's a given everywhere. But if more people, locals especially, open more businesses, there will be more opportunities for everyone. To quote one of the combatants, 'We are no longer interested in fighting, we are now able to taste a pizza'. See, simple thing.

The reintegration of ex-combatants through employment, together with the provision of basic services aided the company in building strong ties with the local community.

5.2.2 Hiring a Community Leader

La Frutera, on the other hand, formalized its connection with the community by hiring a local community leader, Toto Paglas, into leadership roles. The company believed that this step would address concerns on potential religious conflict given that a number of the Christians were assigned to higher-ranking roles. Placing Toto Paglas in leadership roles and subsequently hiring combatants into senior supervisory roles help overcome suspicions of favoring one sector, as well as improve the overall workplace relations:

In the case of Toto Paglas, formally we said he was part of the Executive Committee. So that he can also represent the company. In name, he was part of the executive committee, so he represented also the company to influence people because he is a respected leader.

Dealing with former combatants in the workforce were coursed through the appointed community leaders in La Frutera. Toto Paglas managed the employees and created a way to regulate themselves without any imposition from the top management. In this way, community leaders took direct ownership of work policies while ensuring that company interests were upheld:

For us, we don't mind people carrying guns because when we started they all carried guns. No big deal. But after that we convinced them that there is no need to bring your guns because you are just among the same people. Because slowly they didn't bring guns anymore.

Senen Bacani also believed instituting consistent policy in dealing with the community. The communist armed group called New People's Army (NPA), has a strong presence in Central and Eastern Mindanao where part of its means to sustain its activities is to collect revolutionary tax from government offices and businesses (Mellejor, 2019). Bacani believed his positive relations with the community limited threats such as these.

I mean it's really the way you work with the people. Once you start, it will get repeated.

But if your policy is never, I think they would know. Even when I was with DOLE it was a multinational, we never had any problems. It's a question of taking care of the community. If the community is okay, the company is okay. If the community is not okay, the company will not be okay. It's as simple as that, we think. Because if the community is okay, they'll make sure that you are protected, and you will continue your operations to the benefit of everybody.

Bacani's vast experience in businesses in Mindanao as discussed above and his previous role as Secretary of Agriculture during the administration of former President Corazon Aquino in 1986, became crucial considerations in his assignment as a member of the GRP's peace panel with the MILF during the 2008 MOA-AD negotiation.

5.2.3 Being Neutral

The experience of Filipino-Muslim businessman Nul differs with the rest of the respondents in a sense that his operations were in part a result of the peace dividend. Relating with the community where he operates rests mainly on his relations with family members linked with the MNLF and MILF.

For my case as a Moro, no matter what kind of group, well with the exclusion of say Abu Sayyafs as long as there's MNLF or MILF, I have relatives there. I made it a point not side with any camp because at the end of the day I'm a businessman, but my relatives, remain as my relatives, that will not fade. However, their principles are their own. Whatever is their principle, I'm out of it. For my case, I'm just businessman.

Nul believes that his filial links with these organizations are immaterial to why his business continued to succeed. He is aware that the MILF carried out its operation under a strict chain of command and has spared civilians from the conflict. Unfortunately, these ideas and nuances in the peace and order situation in Bangsamoro fail to reach a greater part of the country owing to the alleged misrepresentation on the plight of the Bangsamoro in the media.

But what we see here, in my opinion, is something different. People don't get to experience these things because MILF and MNLF are not in the business of harassing others. Maybe in others, but I don't know that. But so far in our area and even with my friends when I ask them, they would say the same thing. There are groups that misuse the name of MNLF and MILF and that's where things go wrong, but with the individual leaders, I doubt that they would engage in these things. These people are professionals.

The stance of Nul shows that keeping neutrality in regard to the conflict may keep a business intact.

5.2.4 Enhancing Collaboration

TMI's business model is intrinsically linked to the community. With this thrust of helping communities out of poverty, TMI has created external linkages within the BARMM government and non-governmental organizations (NGOs) to further increase visibility and promote the value of social enterprise. This includes the Mindanao Business Council, Mindanao Development Authority, as well as international organizations such as the Zero Extreme Poverty 2030, UN Women, and the UNDP. TMI further extends its ability of deepening its link with the community by inculcating principles of Islam in its business activities.

Social enterprises are very akin to the Islamic principles of economic activities. Two things in the Islamic economy. The concept is like this. Islamic economy has two frameworks. One is 'Hasbun Minallah' and 'Hablum Minannas'. 'Hasbun Minallah' is that everything that you do is in service to God or is a worship to God, but the other equation is also in service to humanity. So, the kind of economic activities that Islam promotes is a kind of a business that yes, you create profit because you need it for you to grow but you have a responsibility to be part in community-building or in nation-building as we say.

TMI has also taken an active role in bridging communities outside Maguindanao and links with other social enterprises. In partnership with a start-up company, the Maranao Collectible, the company was able to create textile product called *langkit* that featured the craftsmanship of both the Maranao and Maguindanao people. In this way, the private sector became a bridge for two ethnic groups to collaborate and foster peaceful relations.

What happened is that they (Maranao Collectible) asked for our assistance. So what we did was we created langkit-based lace for the Iron Man competition, it's a national running triathlon competition. They needed thousands of them and the Maranao Collectible could not produce that volume. Keep in mind that the Maranao in Maguindanao are two different societies and two different designs, but because there is a need, we needed to talk to our cooperatives...and they were able to deliver. In a way, that's a very good story... It actually harmonized (the two groups). So, the Maguindanao appreciated the Maranao designs, the Maranao appreciated the help extended by the Maguindanawan women. That's a very good story of peacebuilding.

Community relationship has sustained and strengthened the operations of business in

Bangsamoro, irrespective of the status of the peace negotiation between GRP and MILF. The private sector makes connections in the community by firstly establishing operations in conflict-affected region. Second, companies strengthen its presence by hiring members in the community and sourcing goods directly from the people. In the case of TMI, the company directly helped communities design and implement businesses that harness their strengths and help address poverty issues. Third, the private sector acknowledged that hiring combatants is a reality that they need to face. As most of the companies in the research are family-based and privately-owned, we see no attempts in adopting international standards, such as conflict-sensitivity training. La Frutera, however, crafted its own employee management design that assigned community leaders into management roles. This suggests that companies need to become self-aware of the realities in the composition of its workforce, as well as provide avenues for employees to take ownership of the operation. Finally, creating linkages within the business communities and to organizations outside of Bangsamoro are critical measures to increase collaboration.

6. Conclusion

Bangsamoro has been an attractive location for business opportunities. The region flourished economically on the account of its maritime trade importance, while the Sulu and Maguindanao Sultanates helped the region rise to political prominence. Trade and politics are both key factors that contributed to Moro communities' resilience against the Spaniards. The region's long history of political independence was regrettably coopted through the policies on land and migration during the American colonial period. Liberation fighters, such as the MILF, became instrumental in asserting Bangsamoro's right to self-determination whilst finding solutions to rectify historical injustice committed against the Moros.

With the 2014 CAB and its annex on normalization, the private sector has been accented as a key player in achieving the goals of providing assistance to the former combatants, transforming former MILF camps into productive civilian communities, and creating opportunities for the Moro communities to achieve peace. This valuation of the private sector compliments the B4P paradigm of activating businesses as a partner for local peacebuilding.

Operating in a conflict affected region such as the Bangsamoro is not without any risk. Intense armed engagements between the MNLF, MILF, and GRP disrupted the flow of goods and services, and likewise impacted on investor confidence. Nonetheless, Lamsan and La Frutera established their businesses despite risks on its infrastructure, workflow, and employees. The presence of businesses provided job opportunities for communities that sustained life in an unstable environment. TMI used its platform to empower communities in creating its own

cooperatives while Al-Nor showcased that businesses managed by a Filipino-Muslim can grow. This work opportunity extends to combatants of the MNLF and MILF as well. Working with combatants, most of whom were rotating in and out of their service to the liberation movement, was managed by companies in the manner that they would normally do with rest of the workforce. However, the case of La Frutera suggests that appointing community leaders to management roles is crucial in ensuring a peaceful working environment.

Creating business in Bangsamoro is complemented by the relationship of the private sector with its community. All of respondents share the Bangsamoro identity and has worked in the region for extensive amount of years. Awareness on the grievances of the people and addressing them play an important role on deepening the relationship with the community. Lamsan initiated the construction of roads and deep-well that has direct benefits to its operations and the people in Bangsamoro. TMI believes that intentionally targeting marginalized members of societies and providing them with jobs can help reinforce the peace agenda. With reference to dealing with the combatants, taking a neutral position as with the case of Al-Nor helped curb potential threats to its establishment while a proactive stance of empowering community leaders, as seen in La Frutera, ultimately enhance peaceful relations. The private sector in Bangsamoro has taken both intentional and accidental routes in becoming a partner in the peacebuilding agenda. With the peace deal in place and growth of interest in Bangsamoro, peace and development are attainable aspirations for the future.

This research is part of an expansive project on the peace and business nexus in Bangsamoro. In compliance to publication guidelines, we limited the interview data to four respondents and selected them based on the timeframe they entered in Bangsamoro market. Future research in part covers the impact of biases on Muslim communities in conducting business in Bangsamoro and the reshaping of peace concept from private sector's perspective.

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