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Modernizing or Equalizing? Defense Budget and Military Modernization in the Philippines, 2010 – 2020

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This working paper is a draft in progress that is posted online to stimulate discussion and critical comment. The purpose is to mine reader's additional ideas and contributions for completion of a final document.

The views expressed herein are those of the authors and do not necessarily reflect the views of Ateneo de Manila University.

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Abstract

The Republic Act (R.A.) 10349, otherwise known as the Revised Armed Forces of the Philippines (AFP) Modernization Program, is a recapturing of the AFP's initial efforts at modernizing. Successor to R.A. 7898, the document reorients the priorities and the fiscal responsibilities of the Philippine government in ensuring the modernization of the armed forces into the 21st century. The concept of modernization 25 years onward has matured but it has barely deepened much to the detriment of AFP itself. Despite warnings of external security threats, the study has found nominal evidence hinting at the defense budget's continuous prioritization of internal security threats. The study has likewise found nominal indicators that modernization funds set forth by R.A. 10349 are not utilized to 'modernize' the armed forces in the truest sense of the word. The study recommends addressing these issues of prioritization before any further attempt at military modernization.

Keywords: Armed Forces of the Philippines (AFP); modernization; Republic Act 10349; defense budget; Duterte administration

I. Introduction

The Philippines faces external security issues in the South China Sea and the tri-border area in its southern front. The modernization drive of the AFP therefore becomes more crucial so that it can respond to the existing and future challenges. The Revised AFP Modernization Program (Republic Act No. 10349), which began in the second Aquino administration, is now on its 'second horizon' under the Duterte administration. However, no systematic study of the defence budget and the modernization funds have been conducted since the implementation of the Revised AFP Modernization Program in 2013. Examining the status of the first horizon and the current second horizon expenditures of the government would provide valuable insights into the budget and policy reforms needed for the next horizon which is slated to begin in 2022 and last until 2028 and hopefully, for any future modernization thrusts should the government pursue it. It is imperative to do a

baseline study that can inform the government of a priorities-oriented approach in defence budgeting.

The sustainable modernization of the Philippines' military is dependent on its prioritization in the budget. However, budgeting, expenditure, and acquisitions (through the modernization program) from 2010 to 2020 indicate otherwise. The study aims to provide an assessment of the Philippine Government's military modernization thus far which is now into the second phase of military acquisitions. In this regard, the study seeks to elucidate observable patterns of the military modernization with regard to its budgeting and expenditure. Finally, a priorities-oriented approach in preparation for the third horizon is provided with particular emphases on maritime capabilities to promote the protection of the Philippines' maritime domain.

Literature on the Philippine Government's defence budget and expenditure as well as its modernization in the process is scant and no holistic assessment has been made on the progress of the modernization. The decade beginning 2010 to 2020 encompasses a number of things. First, two administrations with completely different sets of priorities and present exigencies are compounded into performing the single-most ambitious military modernization since R.A. 7898: The second Aquino administration (2010-2016) and the Duterte administration (2016-2022). This presents challenges to the uniform and equal modernization of all branches of the Armed Forces of the Philippines, which leads to the second and final point.

Internal and external conflicts persisted in both administrations during the decade which warranted immediate military response. It is only in the emergence of existential security issues that the two administrations were prompted to divert resources to the military. For the second Aquino administration, China's challenge in the West Philippine Sea drove the modernization program. For the Duterte administration, counterterrorism and persistent insurgencies became the top security priorities.

The study will be using the Department of National Defense's (DND) fiscal data from the National Expenditure Program (NEP) of the Department of Budget and Management (DBM). Supplementing data from the defence ministry will also be utilized. Corresponding caveats from the dataset will be cited to annotate changes and adjustments accordingly.

II. Methodology

The study will take on a deductive format by beginning with existing government data from the DBM and the DND. The document in question is the National Expenditure Program from fiscal years 2010 to 2020. The study will quantitatively analyze existing government budget from 2010, which is the start of the second Aquino administration's budget planning, up to the recently approved 2020 budget of the Duterte administration.

The study will search for recurring patterns in the fiscal data and will proffer policy recommendations in preparation for the third horizon of R.A. 10349 come post-Duterte presidencies, to ensure uniform and anticipatory military budget preparation and modernization.

To complement the findings from the publicly available government data, the study will also employ a qualitative approach by incorporating non-probability purposive (expert) sampling techniques. This is done by supplementing the study with thematic findings from direct interviews with experts and practitioners who were involved with the defense budget and/or modernization program, and those with experience on the planning and implementation of the armed forces' modernization program. These includes active uniformed officers, former and active government officials, as well as retired career army personnel. The topics that will be covered include the status of AFP modernization, defense budget allocations and expenditures, and opinions on a local defense industry.

III. Review of Related Literature

Philippine national security issues in the last decade

The Philippines' security climate in the last decade is replete with internal and external challenges. Concerns of paramount importance to the Philippine government ranges from non-traditional security issues like natural calamities and relief operations to traditional security issues like violent extremism and border protection.

Internal security issues

The most prominent internal security issue of the archipelagic country is non-traditional in nature: natural calamities – prominent of which are typhoons and storms. The frequency of

this particular security issue makes the country susceptible to many other non-traditional security issues like food shortages, rising sea-levels, and shifting fauna migration patterns (Overland, Azlan and Charadine). In retrospect, seven of the top 10 costliest typhoons have transpired in the last decade, as shown in Table 1.

Typhoon Haiyan of 2013 garnered international attention for its intensity and scope. According to the Philippines' National Disaster Risk Reduction and Management Council, or NDRRM (), some three million families from 44 various provinces were badly affected by Typhoon Haiyan with the region of West Visayas registering the most share of affected. Timely response to these costly natural phenomena can make or break the country's economic recovery thereafter (Strobl). But the Philippine Government's humanitarian and assistance relief operations proved limited as "the first humanitarian and relief efforts were conducted by international relief agencies and foreign government such as the United States, Australia, Israel, and Japan, and not by the Philippine government" (De Castro 249).

Another immediate pressing concern for the Government had always been the 'chronic threat' of insurgent groups from the southern region of the archipelago (De Castro). Up to date, the two presidential administrations from 2010 to 2020 had openly engaged insurgencies with military might multiple times. The second Aquino administration had inherited a volatile Mindanao peace that resulted in escalation on two occasions, the first of which was the so-called 'invasion of Sabah' (Lau 268).

The second was the controversial Mamasapano clash of January 2015. Maguindanao had been the site of the controversial counterterrorism effort against the Jemaah Islamiyah-linked Bangsamoro Islamic Freedom Fighters (BIFF) and the Moro Islamic Liberation Front (MILF) that led 44 Special Action Force personnel to their deaths. Both incidents led to temporary suspensions of Senate hearings on the then-proposed bill "Bangsamoro Basic Law" (De Castro 2014b, Lau 2014).

The Duterte administration, on the other hand, had to grapple with the mounting threat of the Islamic State of Iraq and the Levant (ISIL) in Marawi, Lanao del Sur. The AFP responded by launching initial operations to capture ISIL-affiliated Abu Sayyaf only to be met with a Marawi armed to the teeth by militants (De Castro). The ensuing battle between the AFP and ISIL lasted five-long months (Stange 239).

The post-Marawi scene is rife with uncertainty and the newfound peace of the Bangsamoro Autonomous Region in Muslim Mindanao, as Quinton Temby () pointed out, is at risk of being jeopardized by the evolving decentralization of clandestine terrorism (Franco 6).

External security issues

The external security scene in the South China Sea was likewise replete with uncertainties from persisting issues (Dolven, Lawrence and Lum). In the span of two presidential administrations, the Philippines' alliance with the United States was drastically tested (Kahin). The increasing assertiveness of China in the disputed maritime territories prompted both Philippine administrations to spring into action (De Castro). The Philippines had once largely benefitted from a so-called equi-balancing foreign policy between its ally, the United States, and the rising economic giant, China. But the early 21st strategy had fallen out due to China's increasing territorial assertiveness (De Castro 373).

Two years after the deterioration of political ties between the Philippines and China, the 2012 Scarborough Shoal Stand-off transpired. This has prompted the second Aquino administration to shift its foreign policy against China's realpolitik (De Castro). The second Aquino administration disassociated itself from the equi-balancing of the previous Arroyo administration and veered towards the United States for assistance in setting up its defense posture (De Castro). But even this proved futile as the United States is careful not to trigger geostrategic rivalry with China (De Castro).

The successor administration of Rodrigo Duterte has likewise disassociated from his predecessors' strategic balancing foreign policies. To strategically cope with new security concerns, the Duterte administration pursued warmer diplomatic ties with China without losing sight of its sphere of traditional allies (De Castro). Earlier speculations of this foreign policy trajectory included garnering economic largesse from China's Belt and Road Initiative (BRI) or cushioning the growing threat of China's assertiveness in the region (De Castro). And indeed, there are underlying connections to these variables (De Castro). While these have cushioning effects on China's assertiveness, this will not easily translate to permanent and meaningful guarantees (De Castro).

This has led to a crisis in the Philippine-U.S. alliance (De Castro 2017d, 2018a). The gravity of China as an increasing threat, not only to the Philippines' national security but also to the regional stability, may not have been stated sufficiently. It is, therefore, all the more important for countries, like the Philippines, to continue fostering ties with its traditional allies (De Castro and Lohman 2011, De Castro 2018a).

According to Adam Liff and John Ikenberry (), China's rise is likely to disrupt the regional order in the East and Southeast Asia. At best, East and Southeast Asian responses to maritime disputes persist somewhere between cooperating with or struggling against China (Thayer). But even these responses pale in comparison to the threat that China's assertiveness poses. De Castro () highlights how the Philippines' legal battle against China in the Permanent Court of Arbitration still seemed futile.

China observers like Mike Huang (), Richard Turcsányi (), Andrew Erickson, Joshua Hickey, and Henry Holst (), and James Fanell () all agree that China's military build-up is provocative and indicates no end to the economic giant's assertiveness in the region. But according to Turcsányi (), the "Chinese assertiveness" narrative lacks rigor and fails to capture the reality of China's actions in recent years. Instead, the author proffers a robust understanding of international power that China has cleverly exercised since 2009. China's growing power should be measured least by its assertiveness alone but by what legitimations its assertiveness is justified and feared: its military, economy, and national performance – components of a comprehensive concept of international power (Turcsányi 79). Erickson, Hickey, and Holst (11) on the other hand, confirms this concretization of Chinese power. James Fanell () likewise agrees with the contention that China's force structure is expanding.

These further indicate that China's global naval strategy has taken on more substance than was imagined by the Philippine Government. Hence, responding to these pressing issues promptly is critical in assuring the Philippines' credible defense posture against untoward grievances to its national security.

IV. Results and Discussion

Persistence of External Challenges: Maritime Domain Concerns

Maritime domain concerns are one among the many cruxes of the Philippines' bilateral relations with its regional neighbors. While maritime concerns allude to geographical and cartographical disputes of the yesteryears, much of the persisting ones have immediate implications to the Philippines' national security (Nagasaka).

In her presentation to the National Maritime Summit in the Philippines last October 2019, Dr. Rhodora Azanza () presented the significance of the *blue economy* concept in harnessing ocean-based resources for economic gain. Based on the 2017 study of the same title, Dr. Azanza et al. () pointed out that the Philippines could merit a conservative sum of more than US\$ 90 billion (Php 4.3 trillion) should it pursue maximizing and sustaining its blue economy. Drawn from the Changwon Declaration of 2012 (PEMSEA), the *blue economy* propels the sustainable development goals into maritime economics.

However even economic statecraft, like the blue economy, is subject to the ebbs of regional geopolitics. Prominent among these geopolitical concerns is the threat of China's growing assertiveness in the region (Turcsányi). China's expansive claims have coincided with many of Southeast Asian states' maritime claims like Vietnam, Malaysia, and Indonesia. To back its assertive claims, China has also evolved the way it conducts its naval patrolling and policing capabilities – evolving from its acclaimed *peaceful* rise to one that is outrightly *provocative*.

The matter of China's rise and regional prominence has been the site of contested debate in the recent decades. Hiroaki Ataka (89) claims that the maritime disputes have reshaped the interests and identity of China to become more solitary while being “aggressive” in its foreign policy campaigns, all the while maintaining the “peaceful rise” narrative.

To reconcile this multifaceted understanding of China, it is best to take this reality as it is, argues Nie Wenjuan (). Each of these multiple realities buttresses a different nuance of Chinese identity and each equips China with a specific set of strategies and policies toward maritime disputes (Wenjuan 197). Vietnam, for example, understands this complexity well that it has adopted a variety of strategies responding to various advances

by China (Hai). The uncertainty of China's action almost always leads claimant-states like the Philippines to a specific set of actions. These uncertainties carry with them geopolitical hypotheses easily measured and observable in the maritime disputes.

The Philippines finds itself in a similar position and no less enmeshed in a powerplay between big powers (Scobell 2018, Willoughby and Medillo 2020). What this particular understanding of China yields for the Philippines simply is that its assertiveness and, by logic, its aggression is here to stay. In fact, signs of new forms of Chinese assertiveness was evident as early as 2013 and maybe even earlier, as noted by Michael Yahuda (). A peaceful relationship or bargain with China can be guaranteed only for so long (Ratner). Preparation for these geopolitical upsets is key.

The reality of an economic setback by China's maritime assertiveness also hits home in the Philippines. The economic value of the strategic resources found in the disputed territories should be sufficient reason to protect these. While the legitimacy of China's stake in the disputed regions appeals to broader theorists, the reality on the ground, however, is different. Sea lines of communication in the South China Sea has been hindered by China's concerted militarized efforts (Rahman and Tsamenyi 329). These profound levels of aggression have been taking place since 2010 with each year yielding an unprecedented level of exacerbation from the last (Rahman and Tsamenyi 2010, Turcsányi 2018).

Precisely because of its calculated use of coercion, China's efforts in maritime disputes is no longer one of "grey zone" strategy, but an approach that is "hybrid" – where it pits its provocation (and its inherent risk of war) with claimant-states' non-use of force (Patalano). Maritime economies, like the Philippines is likely to suffer the most from this new form of aggression if it does not prepare for this (Kelly).

All these discussions evidence the preponderance of maritime concerns and the evolution of China's capabilities in asserting its claims. It is critical, therefore, for the Philippines' national security and intelligence community to direct its attention and to reorient its energies toward this primary security concern.

A broader approach is for the Philippines to take part in the regional pursuit of protecting the maritime order and the many rules it enshrines (Strating). While leaving pockets of opportunities for cooperation is a welcome strategy, it should be stressed that

China's provocative strategy is not (Morton 940). Removing China from the equation is a facile judgment, argues Katherine Morton (Ibid.). Much so is the constant resort to defeatisms. The 2016 ruling of the Permanent Court of Arbitration against China, in fact, has allowed for the facilitation of this maritime order and has given the Philippines legal merit to defend its claims in the disputed territories (Davenport).

As maritime claims intensify among claimant-states, so does a state's need to modernize its military capabilities; and because responding to regional geopolitics with interim solutions is not the way forward as argued by Willoughby and Medillo (), it is imperative that the Philippines must have the necessary tools and capabilities to back its claims. A state's foreign policy is only as effective as its existing capabilities and future procurement plans.

The R.A. 10349 and Defense spending: Persistence of internal priorities

Taking a closer look at the defense budget from 2010 to 2020 reveals significant developments. Former military planners and decision-makers like Retired Commodore (COMMO) Roland Recomo () and Retired General (GEN) Eduardo Oban (), who had been extensively active in the first Modernization Program of the AFP, understood that R.A. 10349 addressed some of the logistical concerns brought about by the first Modernization Program.¹ It was only midway of the first Modernization Program that certain logistical and acquisitional issues of the program were brought to light by the 2003 Joint Defense Assessment (JDA). Since then, a significant effort to institutionalize the critical assessments of the JDA was made on the part of the defense and national security establishment. This included the management system called the Defense System of Management (DSOM). A move towards institutionalizing a system of managing defense acquisition is important (Bucur-Marcu, Fluri and Tagarev). This move was underway in the Philippine defense and national security establishment.

By the time R.A. 10349 had been legislated in 2011 in an effort to renew the Philippines' modernization thrust, new sets of acquisitions were now met with a fully equipped system of logistics, capabilities priorities, and a procurement law legislated in

¹ COMMO Roland S. Recomo AFP RET was the Chief of the AFP Modernization (R.A. 7898) in 2009. GEN Eduardo S.L. Oban Jr. AFP RET was AFP Chief of Staff from March 2011 to December 2011.

2003 (R.A. 9184). According to Article 3.1.1.a of the DND's Department Circular No. 03 sr. 2013, "The acquisition of air force, navy and army equipment and materiel of such types and quantities shall be made in accordance with the need to develop AFP capabilities pursuant to its modernization objectives in accordance with DSOM" (T. R. Department of National Defense, DND Circular No. 3, sr. 2013 6). The same circular defines DSOM as "strategy-driven, capability-based multi-planning and execution process" (Ibid., p. 5).

This section closely looks at the defense budget and spending in two significant and related respects. First, we look at observations of the AFP related funds in the defense budget, in particular that of the Philippine Army's (PA), the Philippine Air Force's (PAF), and the Philippine Navy's (PN). Lastly, we look at the horizon-specific funds of the branch services and how this relates with their corresponding defense budget and spending. For this purpose, we observe the three main branch services with the inclusion of the AFP's General Headquarters (GHQ).² Because R.A. 10349 project costs are made public (apart from the actual Horizon list for security reasons), a minimum level of analyses can be inferred to point out trends.

Observations of the AFP budget

A closer examination of the budget allocation for the AFP will indicate sweeping trends. In particular, the PA has gained much more attention of the defense establishment.

According to Figure 2, the Government has maintained its investment in the PA.³ The 2020 defense budget follows this trend of prioritizing the PA. In fact, the PA's defense budget share accounts for the lion's share across the three AFP branches and outpaces the combined budget shares of the PAF and the PN for most of the decade. Increased expenditure in the PAF and PN has likewise been noted in FY 2016-2017 when the South China Sea dispute was at its climax.

But according to the interviewees of the study, this stark imagery of AFP's defense budget shares do not tell an accurate story of the defense establishment's investments on

² The research is careful to include GHQ in most analyses. This is because GHQ comprises of four sub-institutions: 1) the GHQ proper, 2) AFP Medical Center (AFPMC), 3) the Philippine Military Academy (PMA), and 4) the Presidential Security Group (PSG).

³ Interview with uniformed personnel of the army confirms that PS (Personnel Services) of AFP from the defense budget supports personnel, both active retired. Since the Army holds the largest share of personnel count of the AFP, allocation for its maintenance is likewise the lion's share of the defense budget.

the armed forces. To better capture an accurate picture of the defense budget, the numbers are further broken down to three sub-categories of expenditures: 1) personnel services (PS), 2) maintenance and other operating expense (MOOE), and 3) capital outlays (CO).

As shown in Figures 3, 4, and 5, all branch services have prioritized attending to PS. Funds for personnel services are diverted to the wages and salary of active officers and government officials as well as to the pension for retired military officers (Department of Budget and Management). One uniformed personnel interview opined that because the PA holds a large cadre of foot soldiers, it is only natural that the defense budget shares will reflect this size (Despi).

Historical antecedents also played a significant part as to why PA garners a lion's share of the defense budget. A majority of the uniformed personnel interviewees, both active and retired, have agreed and indicated that historically, the army has generally been the recipient of a majority of the defense budget. Prior to the first modernization program, circa post-World War II, the AFP's mindset has largely been geared towards countering internal threats to national security while leaving external security measures to traditional allies like the United States. The immediate force in need of bolstering to respond to internal security threats was the Philippine Army. This mindset has been translated into the 21st century, as the AFP continues to grapple with a dwindling internal threat.

Second to the PS is the MOOE. Funds for the MOOE are utilized for the operation of government agencies in executing their constitutional mandate. This may also include planned programs that a specific agency aims to hold for the coming fiscal year. Lastly, the CO, which is meant for the sustainment, procurement, and upgrading of assets, barely garners significant allotment in the budget appropriation. Both of these government expenditure classes come last to personnel services.

While investing on the PA is not problematic on its own, new and emerging security issues (with maritime domain in particular) should mostly be dealt with by the Navy and the Air Force and not simply just by the Maritime Divisions of the Army and of the police force.

Horizon-specific observations

Given the budget data for the AFP, the study examines Horizon-specific data by closely examining the relationship between publicly available data on defense budget and extrapolated data on the AFP's Revised Modernization funds. Below is a tabulation of the R.A. 10349 funds, as summarized by Table 2.

According to uniformed personnel interviewees, the increase in second horizon item list cost accounts for the reemphasis of spending on military assets for the PAF and PN. RADM Rommel Jude G. Ong () stated in the interview that the second horizon acquisitions are geared towards the strengthening of both the PAF and the PN.⁴ Alongside GEN Emmanuel T. Bautista AFP RET (), both retired officers understood that the modernization of PAF and PN was meant to assist both services to “catch up” with the PA. This new insight matched with the historical antecedent mentioned earlier.⁵ A side-to-side comparison of the AFP's defense budget and its respective R.A. 10349 funds will indicate some noticeable observations. First, PA's high share in defense budget is observed with a low share in R.A. 10349 funds in both horizons. Second, PN, PAF and GHQ's respective shares in the defense budget is observed with relatively high shares in R.A. 10349 funds in both horizons.

The defense budget for 2012 and the modernization-excluded 2018 defense budgets of PA, PN, PAF and GHQ/GA indicates compensatory levels for their modernization shares for first horizon (2013-2017) and second horizon (2018-2022) respectively. This is highlighted in Figures 6 and 7 respectively.

In Figures 6 and 7, PA's high shares in the defense budget is coupled with low shares in modernization. On the other hand, PN, PAF, and GHQ shares in the defense budget is low, coupled with relatively high shares in modernization. In the case of GHQ, defense shares could be lower as the defense budget data is an aggregation of four sub-agencies. This suggests that R.A. 10349 funds is indeed utilized as a way for PAF, PN, and

⁴ RADM Rommel Jude G. Ong AFP RET was Flag Officer in Command of the Philippine Navy. After 32 years of service in the military, he engages the public through the Security Reform Initiative. He is currently Professor of Praxis at the Ateneo School of Government.

⁵ GEN Emmanuel T. Bautista AFP RET is former Chief of Staff of AFP from January 2013 to July 2014. It was under his leadership that the AFP began its modernization under the first horizon of the Revised AFP Modernization Program. Prior to his appointment as Chief of Staff, he was Chief of the Army from November 2011 to January 2013.

GHQ to “catch-up” with the PA. Instead of being utilized as a ‘modernizer,’ modernization funds have been, instead, modestly used to ‘equalize’ all AFP branches.⁶

This study has thus far established that the prevailing threat is primarily maritime, territorial, and economic in nature and that the Government’s defense budget prioritization remains fixated on the Philippine Army. This stress on the Philippine Army is motivated by historical antecedent, legislative mandate, and organizational facticity.⁷ A brief look at their defense budget and modernization funds indicate that disparity in the former may possibly reflect on the utility and distribution of the latter. A rethinking of modernization is needed to ensure that the AFP, as a whole, is well-equipped to address long-term external security threats.

V. Conclusion

This study argued the inherent disjoint between emerging threats to national security and the defense budget prioritizations. Although R.A. 10349 has accommodated points of improvement from its predecessor law (R.A. 7898), it has much to do in terms of improvement. A number of respondents have gone on record to proffer their observations of the current track and status of the Revised AFP Modernization Program and have likewise confirmed the findings of the study. Nominal values found in the National Expenditure Program from 2010 to 2020 and funds reserved for the Revised AFP Modernization Program indicate a continuous emphasis on internal defensive and offensive capabilities. Noteworthy also are the Philippine Air Force’s and the Philippine Navy’s significant strides in purchasing external defense capabilities in response to growing concerns over the country’s breached sovereignty. However, it will be years before these capabilities come into Philippine possession as the acquisition process remains slow and tedious.

⁶ This finding is corroborated by RADM Rommel Ong AFP RET (2020) and GEN Emmanuel Bautista AFP RET (2020) when both claimed that the modernization funds has been mostly utilized for “catch up.” This was the case with the Philippine Navy.

⁷ According to Section 1 of R.A. 10349, certain provisions of the R.A. 7898 have either been retained or replaced with new insertions. One particular insertion found in Sec. 1 of R.A. 10349 states that Section 4 of R.A. 7898 pertains to an effort to innovate AFP’s role in national security: “To develop and transform the AFP into a multi-mission oriented capable of effectively addressing internal and external security threats.” This was pointed out by interviewees as well as a study done by Nicholas Kelly (2019).

The study stresses that any efforts to pursue the modernization of AFP, in the truest sense of the word, must begin at the phase of prioritizations and, subsequently, must translate into appropriations. These prioritizations must also be externally oriented. In an ever-evolving and uncertain international stage, the Philippines cannot afford a lackluster armed force that is dutifully inward-looking but is barely outward-looking.

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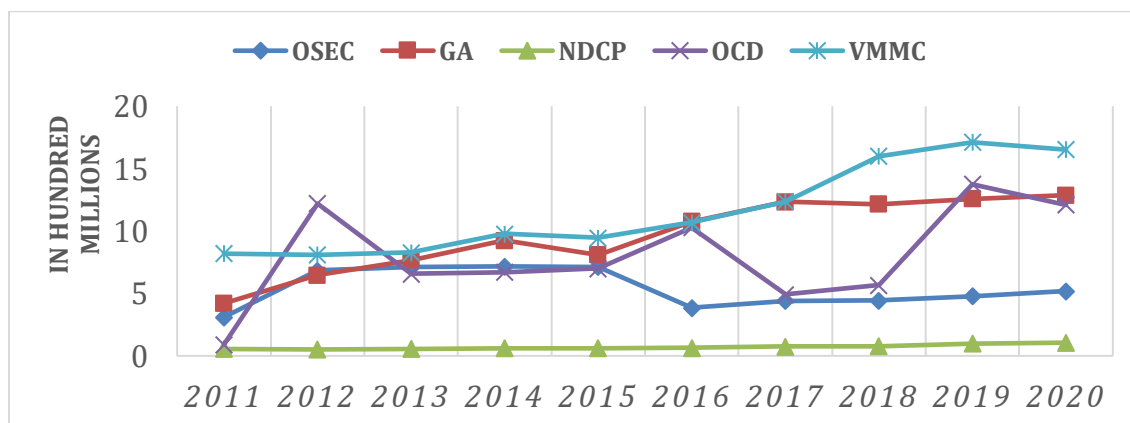
TABLES & FIGURES

Table 1. Top 10 costliest typhoons in the Philippines.

Rank	Storm	Year	Damage in PHP (USD)
1	Haiyan (Yolanda)	2013	95.5 billion (2.2 billion)
2	Bopha (Pablo)	2012	43.2 billion (1.06 billion)
3	Rammasun (Glenda)	2014	38.6 billion (885 million)
4	Mangkhut (Ompong)	2018	33.9 billion (627 million)
5	Parma (Pepeng)	2009	27.3 billion (581 million)
6	Nesat (Pedring)	2011	15.6 billion (356 million)
7	Koppu (Lando)	2015	14.4 billion (313 million)
8	Fengshen (Frank)	2008	13.5 billion (304 million)
9	Megi (Juan)	2010	12 billion (278 million)
10	Ketsana (Ondoy)	2009	11 billion (233 million)

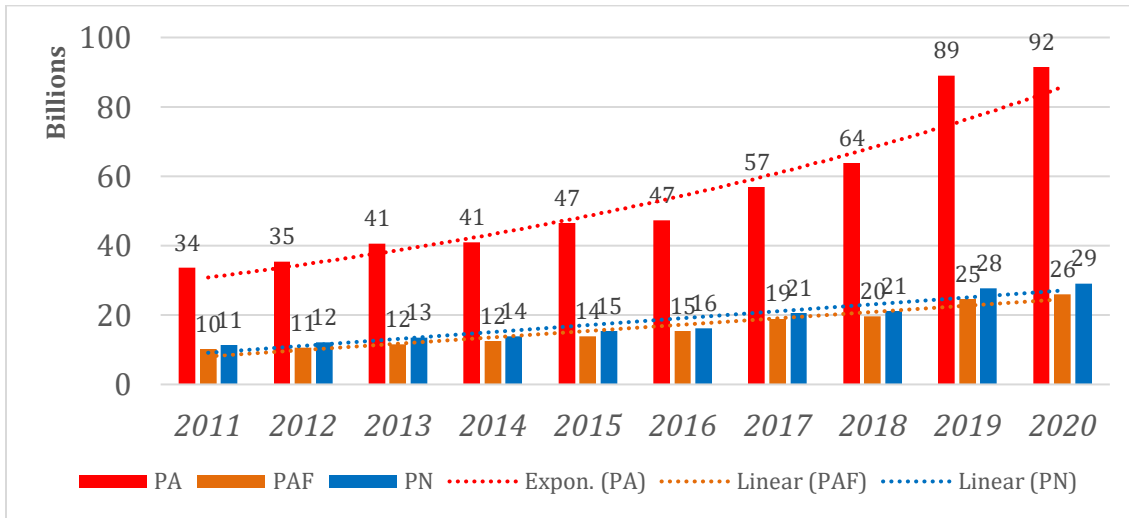
Source: Collated by the authors.

Figure 1. DND's budget in a glance from 2011–2020, excluding AFP budget, PVAO budget, and R.A. 10349 funds.



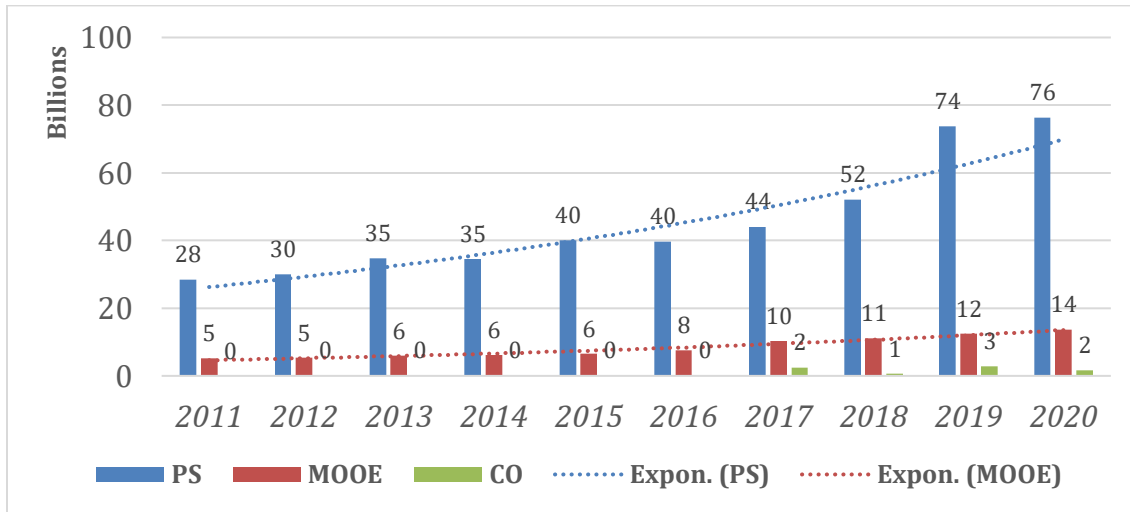
Source: DBM, National Expenditure Program, 2011–2020.

Figure 2. AFP’s defense budget allotment from 2011–2020, excluding R.A. 10349 funds.



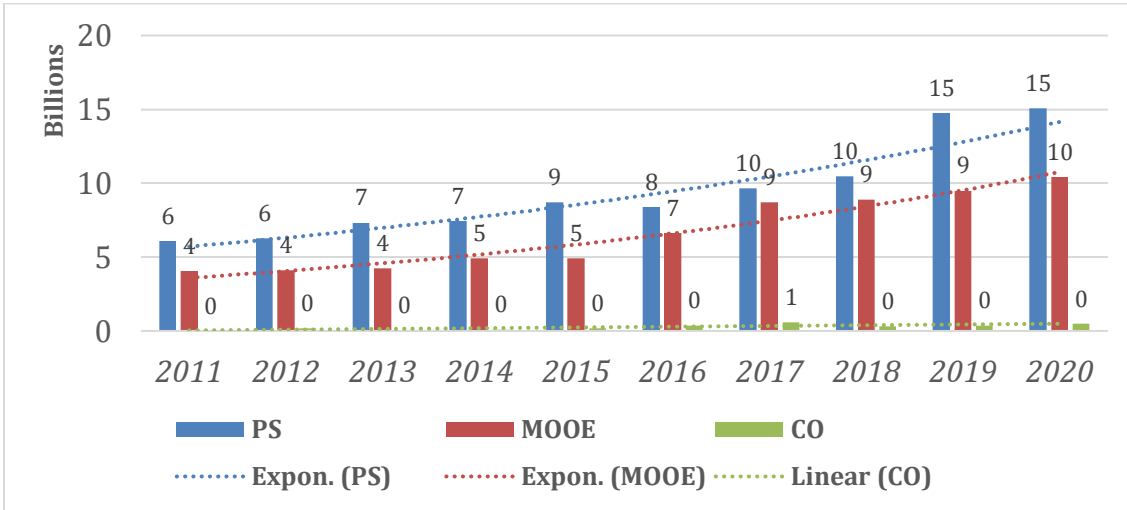
Source: DBM, National Expenditure Program, 2011–2020.

Figure 3. Philippine Army’s defense budget breakdown from 2011 – 2020, excluding R.A. 10349 funds.



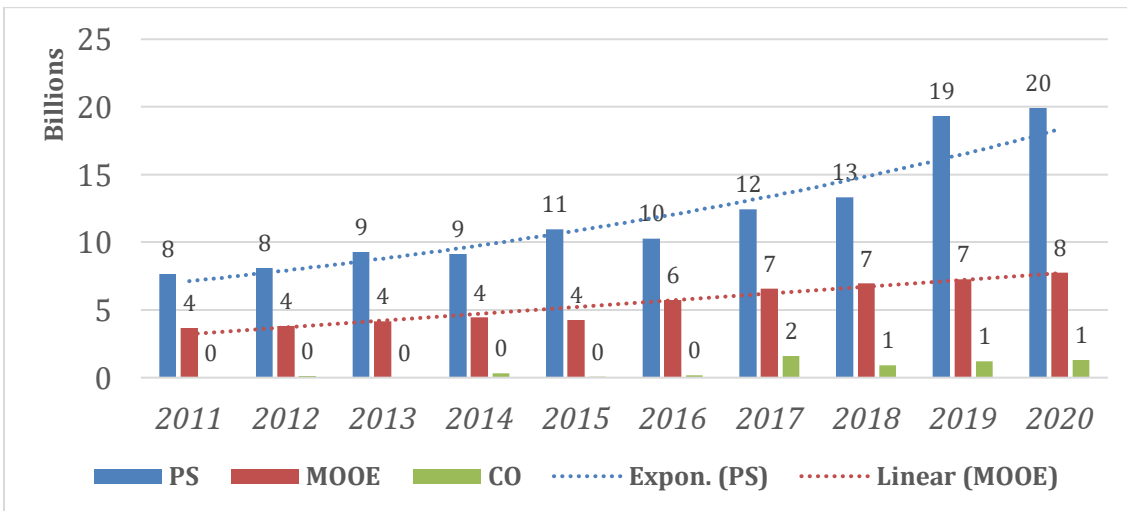
Source: DBM, National Expenditure Program, 2011–2020.

Figure 4. Philippine Air Force’s defense budget breakdown from 2011–2020, excluding R.A. 10349 funds.



Source: DBM, National Expenditure Program, 2011–2020.

Figure 5. Philippine Navy’s defense budget breakdown from 2011 – 2020, excluding R.A. 10349 funds.



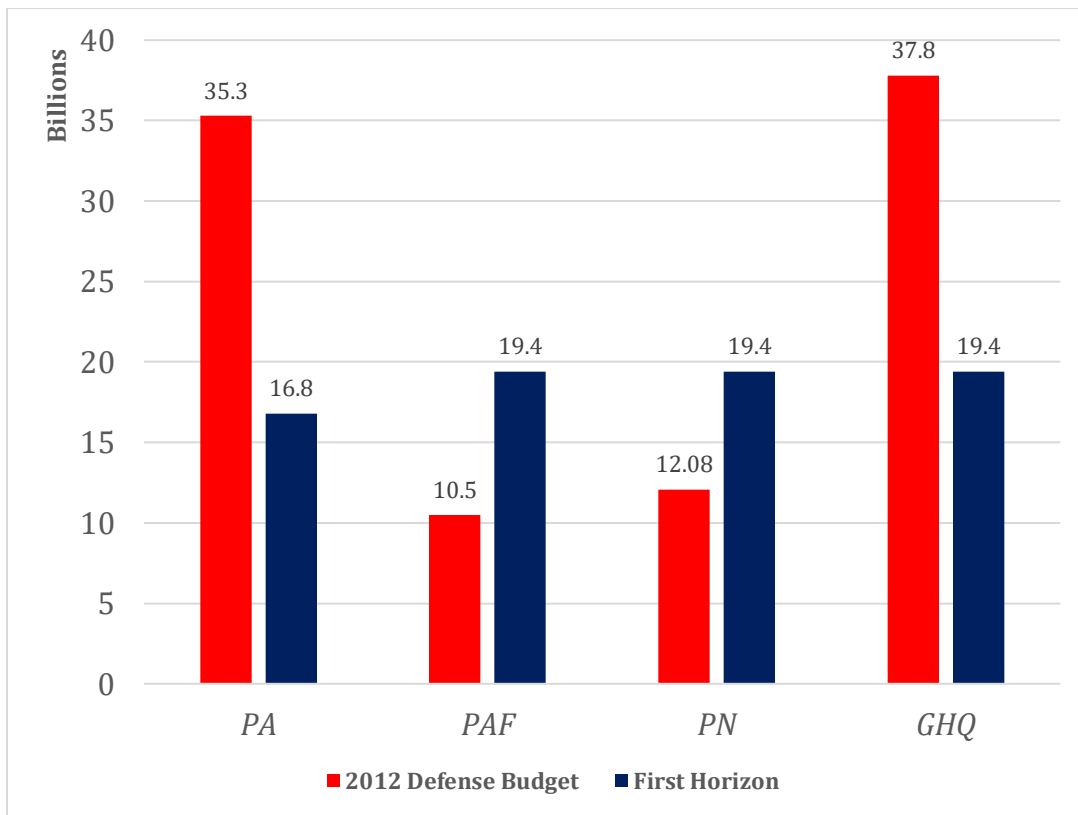
Source: DBM, National Expenditure Program, 2011–2020

Table 2. Breakdown of AFP’s R.A. 10349 funds.

<i>AFP Branch</i>	<i>First Horizon</i>	<i>Second Horizon</i>	<i>Percent Increase</i>
PA	Php 16.8 billion	Php 47.7 billion	2.8%
PAF	Php 19.4 billion	Php 139.3 billion	7.2%
PN	Php 19.4 billion	Php 77.1 billion	3.9%
GHQ	Php 19.4 billion	Php 35.9 billion	1.8%

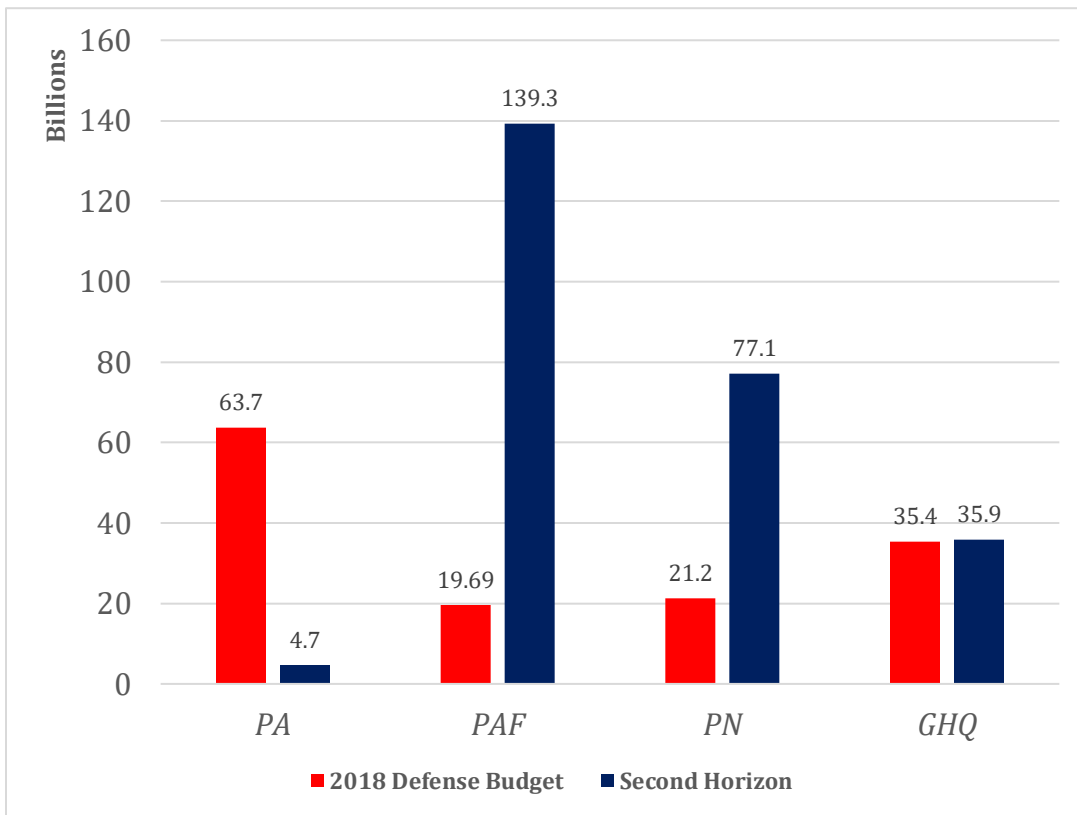
Source: Collated by the authors.

Figure 6. Comparison of AFP’s defense budget for 2012 and their Horizon 1 funds.



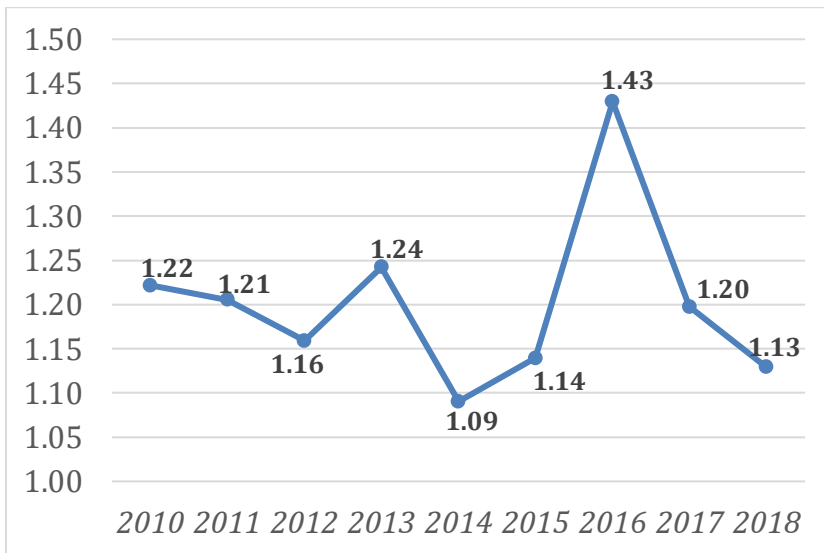
Source: Data on Horizon costs collated by authors.

Figure 6. Comparison of AFP's defense budget for 2018 and their Horizon 2 funds.



Source: Data on Horizon costs collated by authors.

Figure 8. Philippine military expenditure as percentage of gross domestic product, 2010–2018.



Source: Stockholm International Peace Research Institute (2018).



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