



## PHILIPPINES' SEARCH FOR MANOEUVERING SPACE

**Dr. Puyam Rakesh Singh**  
*Research Associate, CAPS*

On January 22, 2013, the Philippines instituted arbitral proceedings against China concerning the legitimacy of historical rights and the source of maritime entitlements in the South China Sea. Thereafter, on July 12, 2016, the ruling of the Permanent Court of Arbitration (PCA) denounced China's claims over the South China Sea including the Scarborough Shoal which falls within the Philippines' exclusive economic zone (EEZ). In the aftermath of the ruling Manila is engaging China to win goodwill and financial support to undertake various development projects. The ruling has undermined China's "international standing and exposed its duplicity in its commitment to a rule-based international order."<sup>1</sup> Nonetheless, China looks forward to enhance cooperation and understanding with the Philippines.

In order to safeguard its sovereignty and maritime interests the Philippines put up strong resistance against Chinese encroachment in the South China Sea. All the Association of Southeast

Asian Nations (ASEAN) countries are not claimants to the South China Sea disputes. Moreover, they have varied levels of dependence on China in various fields. Emboldened by these realities, Beijing successfully exploits the situation to its advantage, and also wedges differences on some key issues including the territorial disputes over the Spratly Islands. On some occasions, Cambodia and Laos blocked the ASEAN joint statement on the issue.<sup>2</sup> A divided periphery serves China's objectives as long as no other power finds a foothold in the vicinity of China. China has not compromised its stand of bilateral consultations and negotiations to resolve the issues.<sup>3</sup> In this context, it will be worthwhile to understand the fact that when the US offered to facilitate mediation, the Philippines rejected the move stating that the "dispute was a matter for China and ASEAN alone."<sup>4</sup>

On July 25, 2016, in his first State of the Nation Address, the Philippines President Rodrigo Duterte made some major policy

pronouncements which include infrastructure development and crack down upon criminals, narcotic drugs, religious fanaticism, terrorism and corruption.<sup>5</sup> On October 18, Duterte visited China to build political trust and handle the differences. In fact, China is the first non-ASEAN country visited by him after taking office in June this year.<sup>6</sup> China assured cooperation in the fight against illegal drugs, terrorism and crimes. Moreover, China expressed willingness to support the Southeast Asian country in its endeavour to achieve economic development.<sup>7</sup> A total of 13 deals worth over US\$13.5 billion were signed during the visit. Under the new arrangement, Duterte's plans to ramp up infrastructure could be funded by China. On October 22, 2016, China has launched a new fund called the China Ocean Strategic Industry Investment Fund to support Chinese enterprises investing in foreign markets, especially along the 21<sup>st</sup> Century Maritime Silk Road.<sup>8</sup> In 2014, China established the Silk Road Fund with a contribution of US\$40 billion, and set up the Asian Infrastructure Investment Bank in 2015 with an initial capital of US\$100 billion. Therefore, China can, as Joseph Nye argues, convert its resources into influence as an act of exercising power.<sup>9</sup>

The Philippines has been affected by "China's growth and dynamism" like many other countries in the region.<sup>10</sup> Although China can provide funds, political trust remains low in the aftermath of several clashes over the territorial

and maritime interests. China occupied the Scarborough Shoal ('Huangyan Dao' in Chinese) in 2012, and the Chinese vessels harass the Philippines' fishing community depriving them a rich fishing ground within the EEZ of the Philippines.<sup>11</sup> In addition, Chinese coast guard ships blocked food supplies and rotation of marines aboard a grounded Philippine navy ship in the Second Thomas Shoal. Similarly, after establishing its control over the Mischief Reef in 1995, China has turned the reef into an artificial island. Furthermore, the Chinese armed forces have been conducting regular high-sea training in the Western Pacific Ocean by crossing the Bashi Channel that separates Taiwan and the Philippines.<sup>12</sup> The Chinese armed forces have stepped up joint drills in the South China Sea. Such activities have created a new ground for the Philippines to reassess its position concerning foreign military bases in the country. Thus, 'China factor' plays a key role in Manila's foreign policy including its military alliance with the US.

Despite all these, the Philippines looks forward to pursue an 'independent foreign policy.' After shutting down former US military bases in 1991, the Philippines signed the Visiting Forces Agreement with the US in 1999 to allow annual visits of US forces to conduct military exercises. However, the Enhanced Defence Cooperation Agreement signed in April 2014 would provide the US troops and equipment access to the Philippine military bases. The Philippine Supreme Court approved the pact in

January this year. Yet, it is not clear how far Manila will go to reduce dependence on the US. In this regard, the Philippine foreign affairs secretary stated that it would not be in the best interests of the country to separate from the US.<sup>13</sup> Total separation seems to be a bad option. The revelation underscores pragmatism in foreign policy while dealing with both China and the US.

The new Philippine Government is unlikely to give in to Chinese pressure over the territorial issue.<sup>14</sup> Nevertheless, China can make attempts to restrain the Philippines, and influence its foreign policy by enhancing cooperation in various areas.<sup>15</sup> The US armed forces' return to the neighbouring Southeast Asian country was meant to check "Chinese adventurism".<sup>16</sup> Amid China's rise, the poorly-funded armed forces of the Philippines cannot balance the military capability of China. On the other hand, China has felt increasing US pressure in its neighbourhood because of the Obama Administration's 'Pivot to Asia'. However, being the former colonial master, the US continues to face some opposition from the Philippines when it comes to establishing military bases.<sup>17</sup> In addition to differences over the human rights issues in the wake of the killings related to the war on drugs, the military agreement has become the target of the growing tension between the US and the Philippines.<sup>18</sup>

Though it is too early to conclude that the Philippines will realign its foreign policy, the new

developments point to some major differences between Manila and Washington. No doubt, the unfolding events in China-Philippines relations would restrain adventurism on both sides. As for China, despite the goodwill of the new Philippine government, Beijing will have to deal with the ruling of the PCA as the Duterte Administration accepts it. In fact, the Hague ruling has enhanced the Philippines' international standing in relation to China. It also favours Manila in its dealing with the US. In the present situation Manila does not have resources to balance China internally, but at the same time does not want to be subservient to the US interest. If not outright betrayal, Manila may be hinting at renegotiating the alliance with Washington to enhance its strategic leverage. Or, by engaging China, Japan and other major players, the Philippine government seems to be looking for manoeuvring space in its foreign policy.

*(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])*

---

#### Notes

<sup>1</sup> Dipanjan Roy Chaudhury, "China should accept PCA ruling on South China Sea: Expert," *Economic Times*, August 07, 2016 (updated), <http://economictimes.indiatimes.com/opinion/interviews/china-should-accept-pca-ruling-on-south-china-sea-expert/articleshow/53584165.cms>, accessed on October 24, 2016.

<sup>2</sup> Ibid.

<sup>3</sup> Martin Jacques, *When China Rules the World* (London: Penguin Books, 2012), p. 370.

<sup>4</sup> Ibid., p. 371.

<sup>5</sup> State of the Nation Address of Rodrigo Roa Duterte President of the Philippines to the Congress of the Philippines Session Hall of the House of Representatives, July 25, 2016, <http://news.abs-cbn.com/focus/07/25/16/read-transcript-of-president-dutertes-1st-sona>, accessed on October 23, 2016.

<sup>6</sup> An Baijie, "Xi, Duterte hail 'springtime' of ties," *People's Daily*, October 21, 2016, <http://en.people.cn/n3/2016/1021/c90000-9130519.html>, accessed on October 21, 2016.

<sup>7</sup> "China, Philippines eye for enhanced economic ties," *People's Daily*, October 21, 2016, <http://en.people.cn/n3/2016/1021/c90000-9130557.html>, accessed on October 21, 2016.

<sup>8</sup> Liu Zhun, "China Ocean Strategic Industry Investment Fund to promote 'Belt and Road' initiative," *People's Daily*, October 24, 2016, <http://en.people.cn/n3/2016/1024/c90000-9131645.html>, accessed on October 24, 2016.

<sup>9</sup> David Shambaugh, *China Goes Global: The Partial Power*, (New York: Oxford University Press, 2013), p. 8.

<sup>10</sup> Martin Jacques, *When China Rules the World*, (London: Penguin Books, 2012), p. 343.

<sup>11</sup> Eva Fu, "China Blocks Philippines Fishing Boat, Reasserting Its Claims to South China Sea," *Epoch Times*, July 15, 2016, <http://www.theepochtimes.com/n3/2116851-china-blocks-philippines-fishing-boat-reasserting-its-claims-to-south-china-sea/>, accessed October 24, 2016.

<sup>12</sup> Ankit Panda, China's Air Force revisits the Bashi Channel. Here's why that matters, *The Diplomat*, September 13, 2016, <http://thediplomat.com/2016/09/chinas-air-force-revisits-the-bashi-channel-heres-why-that-matters/>, accessed on October 25, 2016.

<sup>13</sup> "'Little brown brother image' of Filipinos stunts Philippines: foreign secretary," *People's Daily*, October 23, 2016, <http://en.people.cn/n3/2016/1023/c90000-9131363.html>, accessed October 24, 2016.

<sup>14</sup> Jim Gomez, "Duterte: Filipinos 'may' be able to return to disputed shoal," *The Washington Post*, October 23, 2016, [https://www.washingtonpost.com/world/asia\\_pacific/duterte-filipinos-may-be-able-to-return-to-disputed-shoal/2016/10/23/92856bae-9910-11e6-b552-b1f85e484086\\_story.html](https://www.washingtonpost.com/world/asia_pacific/duterte-filipinos-may-be-able-to-return-to-disputed-shoal/2016/10/23/92856bae-9910-11e6-b552-b1f85e484086_story.html), accessed on October 27, 2016.

<sup>15</sup> "Full Text: Joint Statement of China and the Philippines," *People's Daily*, October 21, 2016,

<http://en.people.cn/n3/2016/1021/c90000-9130952.html>, accessed on October 24, 2016.

<sup>16</sup> Richard Javad Heydarian, "New dawn for Philippine-China relations?," *Aljazeera*, June 5, 2016, <http://www.aljazeera.com/indepth/opinion/2016/06/dawn-philippine-china-relations-duterte-160604101429033.html>, accessed October 26, 2016.

<sup>17</sup> Javier C. Hernandez and Floyd Whaley, "Philippine Supreme Court Approves Return of U.S. Troops," *New York Times*, January 12, 2016, [http://www.nytimes.com/2016/01/13/world/asia/philippines-us-military.html?\\_r=0](http://www.nytimes.com/2016/01/13/world/asia/philippines-us-military.html?_r=0), accessed on October 24, 2016.

<sup>18</sup> Martin Petty and Linda Sieg, "Philippines' Duterte hits out at U.S., then heads to Japan," *Reuters*, October 26, 2016, accessed October 26, 2016.