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THE PHILIPPINES' DELICATE BALANCING ACT – CHOOSING BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE UNITED STATES

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The Philippines` delicate balancing act – choosing between the People’s Republic of China and the United States

On June 30, 2022, Ferdinand "Bongbong" Marcos Jr. became the 17th president of the Philippines, replacing his controversial predecessor, Rodrigo Duterte. He persuaded almost 59 % of all those Filipinos who cast a vote in the national elections held in May and won with the most significant majority since 1981. His decisive victory was a surprise to many outsiders, considering the image of him and his father, Ferdinand Marcos, and his mother, Imelda Marcos, fleeing the Philippines for Guam after the People Power Revolution¹ in 1986, still loomed large in the memory of many Filipinos (Ong Corpus, 2022). Nevertheless, the voters decided, and the Marcos family is back in the Malacañang Palace, ready to lead the Philippines, manoeuvring between numerous domestic and international challenges facing the archipelago state. The following text centres on the latter. It includes an explanation of the complex history of Sino-Philippine relations, the Philippines’ strong alliance with the United States (US), and an analysis of the impact the new Marcos Jr.’s administration will have on the political and economic relations with these two major powers that vie for supremacy in Southeast Asia.

Sino-Philippine relations

The history of political, economic, and cultural relations between the countries dates back to ancient times when the first tributes from Luzon Island were sent to the Chinese Imperial Court some 3000 years ago (Wong, 1984, pp. 123–124). For our analysis, though, the most critical period in the history of their relations is the period after World War II, which led to the establishment of an independent Republic of the Philippines in 1946, and the establishment of the People’s Republic of China (PRC) after the communist revolution in 1949. The Chinese were, at first, those who wanted to engage with the Philippine political elite and forge diplomatic relations. Still, the Catholic tradition, landlord origins, and American education of the elite class ran against the notion of having too many sympathies toward a Communist regime in China (Wong, 1984, p. 127). As a result, all contacts were strictly forbidden, including travel and trade with the PRC.

¹ The nonviolent revolution led to the departure of President Ferdinand Marcos, the end of his 20-year dictatorship, and the restoration of democracy in the Philippines (Tomacruz, 2022).

The Korean War was a critical point in that sense because the Philippines allied with the US and fought against the forces of North Korea and the PRC, cementing the anti-communist policy of Manila for years to come (San Pablo-Baviera, 2000, p. 57). Furthermore, the Association of Southeast Asian Nations (ASEAN), founded in 1967, of which the Philippines was a founding member, further tied the smaller states of Southeast Asia against its giant neighbour. At that time, the Chinese newspaper Peking Review described ASEAN as “an out and out counter-revolutionary alliance rigged up to oppose China, communism and the people, another instrument fashioned by US imperialism, and Soviet revisionism for pursuing neo-colonialist ends in Southeast Asia” (McDougall, 1997, p. 221 In San Pablo-Baviera, 2000, p. 57).

This sentiment changed soon after the US made a policy turn in Southeast Asia and decided to reapproach the PRC in the early 1970s. With the help of its “Ping Pong Diplomacy”, the PRC soon opened up to the political and economic currents of the West, announcing a “strategic shift” in its economic development strategy. The Philippines took this opportunity to re-evaluate its foreign policy position, eventually establishing diplomatic relations with the PRC in 1975.

This policy of rapprochement with Beijing came from realist considerations of a changing security environment in the region, especially after the US withdrawal from Vietnam. At that moment, the Philippines needed to normalise ties with the PRC, if they wanted to pursue mutually beneficial economic relations (San Pablo-Baviera, 2000, p. 58). In the next 20 years, relations between the countries can be described as cordial and relatively friendly. In the early 2000s, during Gloria Macapagal-Arroyo’s administration, the PRC became a significant official development assistance (ODA) contributor to the Philippines, providing numerous investment projects that ranged from building vital infrastructure to direct military aid (De Guzman, 2014, p. 77). At that time, the Philippine president prioritised economic development, energy independence, and reduced dependency on the US export market – stronger bilateral cooperation with the PRC provided just that. One undertaking that illustrated the deepening of economic ties between the countries is the Joint Marine Seismic Undertaking (JMSU) signed in 2005 which envisioned a “joint research of petroleum resource potential of certain areas of the South China Sea as a pre-exploration activity” by respective state-owned oil and gas companies (De Guzman, 2014, p. 74). This project unravelled after three years because of a major corruption scandal involving Chinese-backed infrastructure

projects tied to the deal's signing. This was a sign of the things to come, and a shift into a more cautious Philippine policy towards the PRC was seen as necessary.

A generalised perception by many Filipinos of the PRC as a “sleeping dragon” that always posed a potential national security threat, thus lingered. This perception of each other (the PRC as an existential threat and the Philippines as a valuable tool in US imperialist policy) was exemplified in periodic tensions over two critical issues: the disputes in the South China Sea and the Taiwan question. These two issues are more pertinent for the Philippines than ever before, considering the PRC's maritime expansion that tries to outflank the US rebalancing policy in Southeast Asia through foreign aid and Belt and Road Initiative (BRI) related infrastructure projects (Castro, 2019, p. 210).

Benigno Aquino III's administration (2009–2016) took the South China Sea dispute back to the spotlight in 2013 by filing a case against unlawful actions in the West Philippine Sea by the PRC (the Philippines were publicly backed by Australia, Japan, and the US – its crucial security partners) (Cook, 2019). The case was decided in 2016 by a tribunal constituted under the Permanent Court of Arbitration in The Hague, which ruled that the PRC's “Nine Dash Line” territorial claims overlap with the Philippines' territorial waters and are not legitimate under the United Nations Convention on the Law of the Sea (UNCLOS). The PRC, to this day, stipulates that the tribunal lacks jurisdiction and rejects the ruling altogether. After the verdict, PRC flotillas have routinely gathered around Philippine-occupied land features, and a PRC ship sank a Philippine fishing boat in 2019 (Congressional Research Service, 2022, p. 15).

Philippine assertiveness in the South China Sea dispute diminished when Marcos Jr.'s predecessor, Rodrigo Duterte (2016–2022), took office. He tried to push for a more accommodative approach concerning the PRC. He was highly critical of Aquino's geo-strategic agenda in the region, declared that he would not bring up the dispute if Beijing would build railroads in the Philippines, and criticised the Philippine-US alliance, saying he had little confidence that the US would militarily intervene if an armed clash with the PRC occurs (Castro, 2019, pp. 213–214). He actively sought Chinese investment and BRI funding for infrastructure projects in the Southern part of the Philippines because he envisioned that massive inflows of Chinese development funds would help his domestic image (solving the Moro Muslim secessionist problem) and tie the Philippines closer to the PRC (ibid.).

As previously mentioned, the other most pertinent issue that headlines Sino-Philippine relations is the Taiwan question. It illustrates the complex balance the Philippines must maintain to remain a middle power in Southeast Asia. However, first, let us look briefly into the history and evolution of US-Philippine relations, which will help us understand the issue at hand and Marcos Jr.'s foreign policy dilemma.

US-Philippine alliance

The Philippines and the US have maintained close and complex relations over the past 130 years. The US ruled over the Philippines from 1898 to 1946, taking complete control of the islands after the Spanish-American War in 1902. After the Japanese unconditional surrender and the end of the World War in the Pacific, the Philippines gained independence, and a new democratic government was elected. Close ties with the US remained, exemplified in two agreements; the “Military Bases Agreement” in 1947, which gave the US the right to establish military bases in the Philippines, and a Mutual Defence Treaty (MDT) in 1951, which provided a legal framework for a US security umbrella and continued military assistance to the Philippine government (Robinson et al., 2016, p. 10).

Furthermore, the Philippines, Korea, Japan, Taiwan, and the Ryukyu Islands were all included in the US defence perimeter as a part of its Cold War containment policy in Southeast Asia. Political and military support for the Philippine government remained strong during the following decades, especially between 1972 and 1986², when the Marcos regime ruled under martial law, US forces stationed in two large military bases helped the Philippine security forces neutralise internal security threats (Castro, 2022, p. 105). That commitment lasted until 1992, when the Philippine Senate did not extend the agreement regulating the lease and use of American-built air force and naval bases. As a result, the US forces had to withdraw. Notwithstanding that decision, US-Philippine military and security cooperation remained strong and arguably deepened.

In the next decade, several separate bilateral agreements (Visiting Forces Agreement and U.S.-Philippines Enhanced Defence Cooperation Agreement) were signed that institutionalised interoperability in intelligence, equipment, communications, and militaries' mindsets and common

² This support was critical in the government's fight against Moro Muslim rebel groups in the restive the southern Philippines.

strategic outlooks (ibid.). Additionally, in 2003 the Philippines became a major non-NATO ally (Congressional Research Service, 2022, p. 9) and, except during the Duterte presidency, remained a crucial part of every Philippine foreign policy calculation for the next 20 years.

That sentiment is also reflected in public opinion. The majority of Filipinos support stronger ties with the US; according to a survey in July 2022, “89% of Filipinos had a ‘great deal’ or ‘fair amount’ of trust in the United States compared to Japan (78%) and China (33%). Filipinos placed the least trust in China out of 10 countries” (Philippines Star, 2022). This shows that the US still strongly influences Philippine politics, economy, culture, and tradition, despite the PRC’s efforts to bring the country closer by promoting its South-South development initiative and former president Duterte’s efforts to dismantle the defence alliance systematically – one agreement at a time.

Returning to the Taiwan question, the Philippines has been closely tied to this issue since the state’s constitution. Until 1949, Nationalist China was the only state with which the newly established Philippines had formal diplomatic relations, and the Philippine diplomatic mission to Taipei was upgraded to a full ambassadorial level as soon as the government decided not to recognise the PRC in 1949 (Wong, 1984, pp. 128–129). This early recognition was a cornerstone for more than two decades of close relations with Taiwan, which included signing a trade agreement in 1957, establishing exchange programs, and frequent high-level state visits. The climax of friendly ties came in the 1960s when the Philippines supported Taiwan during the Taiwan Strait crisis, stating they would “react actively, militarily or otherwise” in the event of an invasion (ibid.). However, as highlighted above, in 1975, the Philippines changed its position on the Taiwan question for pragmatic reasons.

Despite that, ties between the countries are still close. More than 200.000 Filipino workers work in Taiwan, for example, which makes the current tensions particularly alarming for Manila (Patton, 2022). In case of an invasion, the Philippine leaders are already discussing a contingency plan to evacuate these Filipino citizens. The role of the Philippines would be crucial in such a scenario, considering the proximity and possibility of staging a retaliatory attack in coordination with US forces from the largest Filipino island, Luzon. An escalation in Taiwan would be a real test for the Philippines’ leadership in the region and would mean a total disruption in the delicate *status quo* security situation.

Marcos` foreign policy agenda

The future security and economic relations in the region are hard to predict. What is certain is that the new Philippine administration under the leadership of Marcos Jr. will face unenviable foreign policy challenges. Although some analysts predicted that he would continue his father's legacy of engaging with the PRC and the US on equal grounds, there was much uncertainty during the election campaign about his actual foreign policy agenda because he refused to participate in most presidential debates. His comments on foreign policy were few and far between (Grossman, 2022).

Only after his first State of the Nation Address on July 25 did he list his domestic and international priorities for his presidential term. He clearly stated that under his guise, the Philippines will conduct an independent foreign policy that will "not abandon even one square inch of the territory of the Republic of the Philippines to any foreign power" and will always look to collaborate and cooperate with its neighbours because that is "the Filipino way" (Rappler, 2022). He was short in his remarks regarding foreign policy, he did not mention any country by name, but from what we have seen in the first few months of his presidency, Marcos Jr. has been keen on re-engaging with the US and the West on some key issues. The first indication of a refreshed start was the congratulatory phone call from US President Joe Biden, even before the official election results were announced (Heydarian, 2022). He described the alliance with the US as very important. However, he wished for no interference by the US into bilateral issues the Philippines have with the PRC, which in some way Washington accepts, as Biden builds his strategy of integrated deterrence, in which the US and its allies work together to deter potential adversaries (Grossman, 2022). The president has also welcomed and already greenlit the Philippines` participation in Biden's Indo-Pacific Economic Framework, which will expand economic and strategic ties with the US. Regarding the Taiwan crisis and Pelosi's visit to the island, Marcos Jr. said that the situation showed how tense the relations are and stated that dialogue and diplomacy must always prevail (España, 2022).

For now, it seems Marcos Jr. will try to take the middle ground and pursue the Philippines` national interest amid great-power competition. The role of the Philippines as a middle power will be crucial in the coming years as the Southeast Asian countries try to maintain the economic and political *status quo*, avoiding any escalation in relations with the PRC or any other external power. What is certain is that his foreign policy will not be so adversarial to the US as Duterte's; his view on the

PRC is pragmatic and echoes the stance of Aquino's administration. Nevertheless, we must not forget that Duterte's daughter is his Vice-President and that the Marcos family is still closely tied to the Chinese Communist Party. Moreover, it is still facing scrutiny regarding corruption, clientelism, and human rights repression. Therefore, Marcos Jr.'s official statements may be just that – statements. What will be the true policy agenda is hard to determine, especially when analysing such conflicting personalities as him and such a contradictory and, at times, paradoxical foreign policy context that underpins present and future relations between the Philippines, the PRC, and the US.

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