

## **The Philippines and the Maritime Security Order in Southeast Asia: The Risks of an Appeasement Policy on an Expansionist China<sup>+</sup>**

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### **Abstract**

This article examines the shift in Philippine foreign policy under the Duterte Administration, and how this development unravels the volatility of Southeast Asia's open, global, and liberal maritime order. His predecessor, President Benigno Aquino, challenged China's expansive territorial claim in the South China Sea throughout his six-year term. However, President Rodrigo Duterte's actions and pronouncements are undoing the former president's geopolitical agenda of thwarting China's expansive design in the disputed waters. He distances the Philippines from the U.S., its long-standing treaty ally, and gravitates toward China. This stance aims to earn China goodwill so that the Philippines can avail itself of Chinese economic largesse particularly the enormous aids and loans from the Belt and Road Initiative (BRI). Nevertheless, by appeasing an expansionist power, the Philippines becomes complicit in China's long-term strategy of maritime expansion to ease the U.S. out of East Asia. In conclusion, the paper warns that the

Duterte Administration might end up jeopardizing the country's territorial rights in the South China Sea and losing the trust and confidence of its security partners. More significantly, its appeasement policy on China might eventually lead to the erosion of Southeast Asia's global, open, and liberal maritime order.

**Keywords:** *maritime order, Southeast Asia, Philippine foreign policy, appeasement, Duterte Administration's foreign policy, Philippine-China relations*

## 1. Introduction

On 18 May 2018, the People's Liberation Army's Air Force (PLAAF) announced that it landed an H-6K bomber on one of its outposts in the South China Sea (*Asia Maritime Transparency Initiative*, 18 May 2018). The H-6K undertook similar takeoff and landing exercises on islands and reefs in the disputed waters to improve the PLAAF's ability to reach all territories and to conduct air strikes at any time and in all directions (*ibid.*). A Singapore-based Chinese academic, Professor Wang Mingliang, off-handedly commented that the successful aerial maneuvers of the Chinese bomber would help the PLAAF's combat capability to deal with maritime security threats. Specifically, the PLAAF bombers operating from any of the Chinese outposts can conduct routine peacetime patrol and wartime air interdiction operations in the South China Sea. This will put the Philippines, Singapore, and much of Indonesia within the range of Chinese strategic airpower (*ibid.*). The deployment of the H6-K bomber is part of China's efforts to control the South and East China Seas by extending its security perimeter and reinforcing strategic influence over these crucial sea-lines of communication (SLOC) linking the Indian and the Pacific Oceans.

In the face of international and domestic concerns over Chinese actions in the South China Sea, however, President Rodrigo Duterte commented that he would not provoke China into war (*The Philippine Star*, 22 May 2018). He asked what would happen to the Philippines should war erupt in the South China Sea and whether the United States (U.S.) would remain on the side of the Philippines if war would break out (*ibid.*). He argued that the more feasible solution is to forge a joint exploration pact with this regional power bent on altering the territorial status quo and violating international law (*ibid.*). In August 2018, President Duterte told Filipinos that he expects China to be just and reasonable on the South China Sea dispute and that they should accept Beijing as a good neighbor (Kyodo News, 17 July 2018). He said, “I am sure that in the end, China will be fair and the equity will be distributed.” (*ibid.*) He was also optimistic that “in the days to come, we would realize that China ... is really a good neighbor.” (*ibid.*)

President Duterte’s good but misplaced faith on China reflects his administration’s appeasement policy on China.<sup>1</sup> The concerted efforts of Filipino foreign affairs and defense officials are aimed at fostering closer relations with China, coupled by calculated moves to distance the Philippines from the U.S. and its allies (Japan and Australia) related to the South China Sea dispute in particular, and to other international issues in general. This policy stems from the government’s belief that appeasing China is worth pursuing because it makes the Philippines a beneficiary of the Belt and Road Initiative (BRI). However, by appeasing an expansionist power, the Duterte Administration facilitates China’s long-term strategy to ease the U.S. out of the East Asia as it builds a maritime great wall in the South and East China Seas. Paradoxically, it colludes with China in violating international law that it is supposed to uphold in the light of the 12 July 2016 Permanent Court

of Arbitration (PCA) Award to the Philippines. More significantly, its appeasement policy adversely affects Southeast Asia's maritime order.

This article examines the Duterte Administration's appeasement policy on China and how it undermines Southeast Asia's maritime order. This paper raises two interrelated questions: Why and how does the Duterte Administration pursue an appeasement policy on China? And how does this policy threaten regional maritime security order? It also addresses these corollary questions: What is the nature of the Southeast Asia's maritime order? How is China altering this order? How did the Aquino Administration challenge China's maritime expansion in the South China Sea, and in the process, uphold the regional maritime order? Why has the Duterte Administration adopted a policy of appeasement on China related to the South China Sea imbroglio?

## **2. Small Powers in Quandary: Balancing or Appeasement?**

Mainstream realist literature depicts an anarchic world where states have two choices in responding to an emergent power. Accordingly, some small powers balance the emergent power to preserve their security, while others join the cause and choose appeasement to secure economic gains or otherwise expand their influence (Levy, 2003). Small or minor powers have limited economic and military capabilities. Many of them consider balancing an emergent regional power detrimental and risky. For a balancing policy to succeed, states must have the necessary military power, a demographic advantage, and a strong technological/industrial base. Generally, however, small powers have scarce natural resources, constrained geography, small population, diverse ethnic composition, and, in many cases, weak state institutions (Neack, 2003).<sup>2</sup> They also have lean foreign affairs bureaucracies, inadequate military capabilities, few diplomatic posts abroad, and

deficient intelligence agencies that altogether hamper the scope, vitality, and conduct of their foreign policy. Thus, it is assumed that balancing cannot be effectively applied by small or minor powers since they have marginal capabilities to affect international outcomes. Given their strategic vulnerabilities and inadequate military capabilities, small/minor powers often succumb to bandwagoning to appease the established, rising or emergent powers.

Whether a small power will adopt a policy of balancing or appeasement depends on domestic politics, geography, and the ability to manipulate its circumstances to gain even disproportionate power relations with the big powers. A small power still controls its foreign policy choices and ultimate destiny. However, this control is contingent upon its leaders' willingness to exploit opportunities in the international system. If global conditions for its balancing gambits are ripe, it can either draw on their geostrategic location to exert advantage on the powerful state or rely on other major powers for military assistance and security guarantee. It should be pointed out, however, the small power's range of opportunities for an independent, vigorous, and self-interested foreign policy is more limited than any of the more powerful states (*ibid.*). A small power is not necessarily powerless. However, it is still boxed in by virtue of its relative weaknesses vis-à-vis middle and great powers.

A small power can generate limited power over its foreign policy choices and ultimately its fate, but this power is contingent on the opportunities existing in the international system, the willingness of its political leader to take advantage of these opportunities, and in many cases, its pressing domestic agenda. Confronted by an emergent power, a small power may think that it has overextended itself in terms of seeking to challenge this threat risking greater international and domestic complications, if not outright foreign policy failure and disaster. On the

contrary, if it has already discounted the prospects of challenging a great power, and the unlikelihood of achieving its desired goal of balancing this power, it might opt for lesser and less risky goal of appeasing this emergent power. Furthermore, powerful elements or interests within the state might prefer domestic consumptions or investment, via government expenditures in internally oriented programs rather than prioritizing foreign policies that put a premium on geopolitics. Confronted by this situation, a small power can adopt satisficing policies such as appeasement, buck-passing, and bandwagoning.

Appeasement refers to a small state's efforts to conciliate or buy off an emergent power by initiating unilateral diplomatic and strategic concessions (Trubowitz, 2011). Bandwagoning involves a small power subordinating itself to the stronger power with the hope of diffusing the threat poised by the latter (*ibid.*). Despite obvious differences among these foreign policy approaches, they share three common features: (a) they are undertaken in response to an external threat; (b) they are comparatively cheap; (c) they seek to preserve the status quo at low but extremely risky cost. Although they are considered as status quo strategies, they, nevertheless, imperil the existing international order as they embolden an aggressive power to advance its revisionist agenda. This is especially the case when a small power pursues an appeasement policy based on weakness and fear.

From 2011 to 2016, the Aquino Administration applied a balancing strategy on China related to the South China Sea dispute. After he was elected president, Mr. Rodrigo Duterte adopted an appeasement policy on China. The difference between these two administrations' foreign policies lies on President Aquino and President Duterte's respective domestic agendas. On the one hand, then President Aquino was concerned about Chinese incursions into the country's EEZ and the Philippines' strategic leverage as a maritime littoral state vis-à-vis

China's maritime expansion. These encroachments deprived the Philippines of vital fishery and mineral resources from the South China Sea. On the other hand, President Duterte took note of China's emergence as a major power in general, and its launching of the BRI. He was apprehensive that if the Philippines pursues a balancing policy on China, the country would not be able to avail of Chinese investments and aid under the BRI. This drove him to choose a policy of appeasement characterized by strategically distancing the Philippines from the U.S. and gravitating toward China.

The Duterte Administration is convinced that its appeasement policy is worth pursuing because it makes the country a beneficiary of China's emergence as a global economic power. By appeasing an expansionist power, however, the Duterte Administration becomes complicit in China's long-term strategy of maritime expansion designed to ease the U.S. out of East Asia. This will upset the current balance of power in the region. Furthermore, China's long-term plan to project its maritime power in the Western Pacific, and to gain control of the regional maritime commons, will adversely affect the Philippine's territorial, strategic, and economic interests as an archipelagic state in the Indo-Pacific. This will also lead to the eroding of the Southeast Asian regional maritime order.

### **3. The Southeast Asian Maritime Order**

The South China Sea and the smaller seas of eastern Indonesia open to the Pacific and are separated from the Indian Ocean to the south and west by straits that perforate Indonesia's southern islands. Located in the heart of Southeast Asia, the South China Sea is a semi-enclosed sea surrounded by China and several small and militarily weak Southeast Asian powers such as the Philippines, Vietnam, Malaysia, and Brunei.

It is sometimes referred to as an Asian Mediterranean as people of the archipelagoes comprising Indonesia, East Timor, the Philippines, Malaysia, and Taiwan have a common ancestry and speak related languages (Paine, 2013).

For several centuries, fishermen, salvagers, sailors, and navigators on board their small trading or fishing vessels comprised the vast majority of seaborne traffic in the South China Sea whose islands remained largely uninhabited (Raine and Le Miere, 2013). The ancestors of the present-day inhabitants of the Philippines, Malaysia, Indonesia, and other Southeast Asian countries maintained contacts with one another by using the waters of the South China Sea as their traditional fishing grounds and local trading routes. The extensive maritime trade in the South China Sea between the 15th and 17th centuries generated a high degree of commercial intercourse connecting several maritime cities of Southeast Asia and created a pan-Asian trade network with India and China serving as important nodal points (Acharya, 2012). Describing this maritime region before the coming of the Western powers in Asia, Professor Craig Lockard wrote:

This huge but politically fragmented and often sparsely populated region around “a sea common to all” spawned a fluid multiethnic transnational economic zone and flexible political boundaries in which waterborne commerce and the string of ports that facilitated it were essential. This canvas of interaction also linked the mainland with the Southeast Asian archipelagoes (Indonesia and the Philippines) in a myriad of exchange relationship.

(Lockard, 2010)

Consequently, the long-established trade routes between India and China crisscrossing the South China Sea led to the formation of several ancient



Southeast Asian maritime kingdoms that thrived because they had control over sources of export products (Acharya, 2012). Maritime trade in Southeast Asia created these ancient kingdoms as it provided new resources such as arms and weapons and luxury goods for distribution; gave local rulers new ideas for political organization and legitimacy; and connected the great maritime cities of Southeast Asia into an intraregional trading system (*ibid.*).

All of these developments occurred because the South China Sea has evolved into a regional commons in which all parties pursued their interest without fear of molestation or sovereign control by the authorities of any coastal state (Dutton, 2011). There is simply no evidence that points to unique economic or naval interest of China or any other single country in or around the islands of the South China Sea (*ibid.*). The intervention of external colonial powers in the 16th century and the application of their superior naval technologies enabled European sea power to ensure that the South China Sea and Southeast Asia more broadly, become an integral component of an open, global, and liberal maritime order (Dutton, 2016).<sup>3</sup>

#### **4. The Unravelling of Southeast Asia's Maritime Order**

The end of the Second World War in 1945 and the wave of decolonization that swept Southeast Asia in the late 1940s to the late 1950s caused former colonies to attain their independence from Western powers. Formed in the process were active claimant states that sought territorial and economic exploitation rights in the South China Sea (Gregor, 1989). This trend was reinforced by the profound changes in the traditional law of the sea whereby the legal regime governing the sovereign coastal states' territorial and adjacent waters and subsea land extension, as well as the ownership and control of land-features in the

South China Sea, underwent a dramatic transformation. Created in 1982, the United Nations Law of the Sea (UNCLOS) established a legal regime under international law that describes the maritime areas over which a state can exercise exclusive jurisdiction outside its territorial sea, such as the exclusive economic zone (EEZ) (Eifuku, 2018). With all the coastal states in Southeast Asia becoming States Parties to the UNCLOS, a general legal regime was established in Southeast Asia that allowed littoral states to have maritime interests of their own in a vast expanse of maritime areas that defy comparison in the past. These two post-1945 developments consequently weakened Southeast Asia's open, global, and liberal maritime order.

Since the mid-20th century, the littoral states have considered the South China Sea as a maritime zone of abundant hydrocarbon and protein resources which are important for their increasing populations that have consumed and exhausted their coastal waters' fishery resources. Consequently, by the second decade of the 21st century, disputes over sovereign control of land features, the extent and delimitation of maritime jurisdictional waters happened side-by-side with competing nationalist narratives alluding to alleged ancient discovery, historic rights, and occupations of the South China Sea. Way into the 21st century, the South China Sea became the represented projection of the cultural consciousness of centuries-long relationship that each coastal nation has with its adjoining seas (Dutton, 2011). Consequently, this maritime area has become an arena for littoral states' competitions over territorial sovereignty, overlapping claims to islands, rocks, and reefs, disputes over which coastal states claim legitimate jurisdiction over waters and seabed, and contentions over the appropriate balance of coastal-state and international rights to use the seas for military purposes.

The greatest threat to the open, global, and liberal maritime order in Southeast Asia, however, is China's naval presence in this strategic maritime area. Its naval activities are upending the post-World War II status quo and shifting the power dynamics that have maintained stability in the region (Bowers, 2018). Enjoying a phenomenal economic boom during the first decade of the 21st century, China was transformed into an engine of growth in East Asia and the wider world. With its gross domestic product (GDP) surpassing that of Japan in 2010, it has become the second largest economy in the world next only to the U.S. Its economic success has not only made it confident and assertive in foreign affairs but also intensified its military prowess (National Institute for Defense Studies, Japan, 2015). Strong economically and militarily, China has taken provocative actions in the South and East China Seas. These include the unilateral declaration of an Air Defense Identification Zone (ADIZ) in the East China Sea; the active conduct of several live-fire naval exercises by the PLAN and the PLAAF in the Western Pacific/South China Sea; and the hardline responses by the PLAN in coordination with Chinese maritime law-enforcement agencies on territorial rows with the Philippines and Vietnam in the contested sea (*ibid.*). These moves worry the other littoral states about China's maritime design in the region (*ibid.*).

China also created thousands of kilometers of artificial islands and built facilities on these land features to project its power farther into the South China Sea and closer to the territories of other littoral states. In 2015, China began constructing artificial islands over the eight reefs it occupied in in the Spratlys. It also created new artificial islands at Hughes, Johnson, Gaven, Fiery Cross, and Mischief Reefs. China relies on these artificial islands and reefs to help create a "large maritime defense system" for power projection (McCaslin and Erickson, 2019).

These large artificial islands have harbors and airstrips that are used by maritime militia and People's Armed Forces Department personnel to monitor the maritime domain, maintain a constant forward presence and conduct peacetime operations roles that would be much more visible and sensitive if performed by military units (*ibid.*). On 9 April 2015, the Chinese foreign ministry justified China's massive artificial island constructions as a means of "satisfying necessary military defense requirements" while simultaneously providing "civilian facilities such as typhoon shelters, fishing services, and civil administration offices" for China, its neighbors, and international vessels sailing in the South China Sea."

All these efforts are aimed to weaken the ability of the other states to support their territorial and resource claims and to accept without question China's maritime expansion (Dutton, 2016). From the other claimant states' viewpoint, these bullying tactics smack of Chinese territorial expansionism and adventurism (Scott, 2007). However, from China's perspective, it is a case of the country outgrowing its subordinate status in the past and feeling confident enough to stand its ground in the western Pacific – to resolutely manage its territorial and sovereignty issues in the East and South China Seas (Swaine, 2015). Consequently, China's creeping expansion into the South China Sea poses a challenge to the capacity of naval and other power-projection forces that ensure an open, global, and maritime liberal order in Southeast Asia (Dutton, 2016).

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## **5. Challenging China to Uphold the Maritime Order**

On March 2, 2011, two Chinese patrol boats harassed a survey ship commissioned by the Philippine Department of Energy (DOE) to conduct oil exploration in the Reed Bank (now called Recto Bank), 150 kilometers east of the Spratly Islands and 250 kilometers west of the

Philippine island of Palawan. The Aquino Administration was stunned by this maritime encounter which happened within the Philippines' EEZ. Two days after the incident, the Philippine government filed a protest before the Chinese embassy in Manila. A Department of Foreign Affairs spokesperson commented, "The Philippines is (simply) seeking an explanation for the incident." Brushing aside the Philippine complaint, a Chinese embassy official insisted that China has indisputable sovereignty over the Nansha Islands and their adjacent territory. Beijing then went on to demand that Manila first seek Chinese permission before it can conduct oil exploration activities even within the Philippines' EEZ. China, in fact, was badgering the Philippines and other claimant states to recognize China's sovereign claim over the South China Sea (*BBC Monitoring Asia-Pacific*, 10 June 2011).

In June 2011, the executive branch of the Philippine government and the Armed Forces of the Philippines (AFP) agreed on a multi-year, multi-billion peso defense upgrade spending and military build-up. The Philippines' immediate territorial defense goal is to establish a modest but "comprehensive border protection program" anchored on the surveillance, deterrence, and border patrol capabilities of the Philippine Air Force (PAF), the Philippine Navy (PN), and the Philippine Coast Guard. This monitoring and modest force projection capability should extend from the country's territorial waters to its contiguous and 200-mile exclusive economic zones (National Security Council, Philippines, April 2011).

From 9 April to 18 June 2012, the Philippines was pitted against China in a tense naval standoff at the Scarborough Shoal. A triangle-shaped, 150 square kilometers of barren reefs and rocky islets, the shoal is about 135 miles from the Philippines and 543 miles from China. Both countries have staked a claim to the shoal and have figured in hostile encounters over control of the area since the late 1990s. The standoff

highlighted China's maritime strategy. It involved "drawing a line" in the sea using civilian vessels to challenge littoral states that ran the risk of exacerbating a critical situation by resorting to military means and engaging the PLAN ships lurking in the background (*The Straits Times*, 21 April 2012).

China's stratagem was to put the onus on the use of force on these small littoral states – outclassed by its naval prowess – by bringing them to the brink of a naval confrontation to resolve what was essentially a maritime jurisdiction issue (*ibid.*). When the tension eased at the Scarborough Shoal, China consolidated its control over the area. Crewmembers of the Chinese Maritime Surveillance vessels constructed a chain barrier across the mouth of the shoal to block the Philippine access to it. China also deployed these ships to protect the fleet of Chinese fishing boats operating deep into the Philippines' EEZ.

An important factor behind the Aquino Administration's balancing policy on China, despite the latter's preponderant economic and military capabilities, was the strengthened and reconfigured Philippine-U.S. security relations. At the height of the Philippines' territorial row with China in mid-June 2011, the Aquino Administration publicly acknowledged the exigency of U.S. diplomatic and military support. Conscious of its military inadequacies, Manila asked for an unequivocal U.S. commitment to Philippine defense and security as provided for in the 1951 Mutual Defense Treaty (MDT), specifically American naval/air support in the Spratlys. Philippine officials rationalized that an armed attack on Philippine metropolitan territory and forces anywhere in the Pacific, including the South China Sea, should trigger an automatic U.S. armed response.

The Scarborough Shoal stand-off and later, China's occupation of the shoal made it crucial for Manila to negotiate the "Framework Agreement on Increased Rotational Presence and Enhanced Agreement"

(IRP) with Washington. On 28 April 2014, the Philippines and the U.S. signed the Enhanced Defense Cooperation Agreement (EDCA). Actually, EDCA is not a new security pact; it is simply an updated and enhanced version of the 1951 MDT (Philippine News Agency, 2014). This executive agreement provides the framework by which the two countries can develop their individual and collective (defense) capabilities. Such task can be accomplished through the rotational deployment of American forces in Philippine bases (Targeted News Service, 28 April 2014). However, though the American forces are allowed to utilize AFP-owned and -controlled facilities, the Philippine base commander has unhampered access to those locations. Likewise, the AFP can use the infrastructure built or improved by the U.S. With the implementation of the agreement, a small contingent of U.S. forces would be deployed in Philippine territory temporarily.

## **6. Upholding the Maritime Order through the UNCLOS**

Lacking an adequate military capability to stand up against China's naval prowess in the South China Sea, the Philippines opted for the liberal/legal approach leading to the use of lawfare to resolve its maritime dispute with this emergent power. In other words, by availing itself of the arbitration mechanism of the UNCLOS, the Philippines adopted international law as a "lawfare" or the use of law as a substitute for traditional military means to achieve an operational objective (Scharf and Andersen, 2010). In other words, "lawfare" involves the application of legal or judicial processes to enable a weaker adversary to engage in political and legal battle against a superior opponent (Palmer and Johnson, 2016).

In January 2013, the Philippines directly confronted Chinese realpolitik approach in the South China Sea dispute by filing a statement



of claim against China in the Permanent Court of Arbitration (PCA) at The Hague in the Netherlands. In its Notification and Statement of Claim, the Philippines asked the arbitral tribunal to determine the country's legal entitlements under the UNCLOS to the Spratly Islands, Scarborough Shoal, Mischief Reef, and other land features within its 200-mile EEZ. The claim was filed to show that the Philippines' exercise of its territorial rights over six-islands and other land features within its legitimate maritime jurisdiction is firmly grounded on international law – specifically the UNCLOS.

As expected, China refused to participate in the international mediation and openly expressed its opposition to the Philippines' filing of a case with the arbitral tribunal. To justify its non-participation in the proceedings, China cited its policy of resolving disputes on territorial and maritime rights only through direct consultation and negotiation with the countries directly involved (*BBC Monitoring Asia-Pacific*, 14 July 2015). It repeatedly declared, "It will neither accept nor participate in the arbitration unilaterally initiated by the Philippines," and maintained – through the publication of a position paper, the *2014 December Position Paper* and in other official statements – that, "the tribunal lacks jurisdiction in this matter" (Permanent Court of Arbitration, 2016). For a crafty player that had benefited from the ambiguity of its goal and the full extent of its South China Sea claim, China had much to lose in the ruling (Waxman, 2015). Since 2009, however, it has gradually shifted its strategy from delaying the resolution of the dispute to one that emphasizes its sovereignty over the contested waters. This tactic aims to deter smaller and weaker claimant states like the Philippines and Vietnam from cementing their claims and to enable China to negotiate with these small powers from the position of strength (Taylor, 2011). Furthermore, it does not want to extend any legitimacy to the tribunal since it holds other instruments of power –

economic, diplomatic, and strategic – that it can wield to settle the dispute according to its own terms (Waxman, 2015).

Without China's participation, the arbitration proceeded in accordance with the provisions of UNCLOS. Representatives from Indonesia, Japan, Malaysia, Thailand, and Vietnam also attended the hearings (*Asia News Monitor*, 21 July 2015). On 29 October 2015, after almost three years of proceedings, the arbitral tribunal unanimously decided that it has jurisdiction over the maritime dispute between China and the Philippines in the South China Sea. In its ruling, the tribunal held that both the Philippines and China are parties to the Convention and are bound by its provisions on the settlement of the dispute (*BBC Monitoring Newsfile*, 21 July 2015). It also stated that China's choice not to participate in the proceedings does not deprive the tribunal of its jurisdiction over the case and that the Philippine decision to commence arbitration was not an abuse of the UNCLOS's dispute settlement procedure (*ibid.*). The tribunal's ruling meant that it would hold further hearings to settle the highly contentious territorial dispute between the Philippines and China in the South China Sea. On 30 November 2015, the Philippine panel concluded the presentation of its claims against China to the tribunal.

## 7. Pursuing an Appeasement Policy

In his first few months in office, President Duterte appeared to be adhering to his predecessor's geopolitical agenda vis-à-vis China's expansion in the South China Sea. President Duterte, however, changed gears after the U.S. became critical of his war on drugs and criminality that had claimed more than 3,000 lives since May 2017. His current statements and decisions clearly indicate an apathetic and cynical attitude toward the U.S. At the same time, he fosters cordial and closer

relations with China despite the PCA's ruling and the presence of Chinese Coast Guard vessels around the Scarborough Shoal and the Mischief Reef, which are within the Philippines' EEZ.

During the two ASEAN Summits and the East Asian Summits (EAS) in Laos, President Duterte made remarks that were interpreted as insulting to then President Barack Obama. These slurs led to the cancellation of the bilateral meeting between two heads of state. President Duterte also skipped the U.S.-ASEAN Summit and instead of reading his prepared speech on the PCA Award to the Philippines, he denounced American atrocities committed against the Filipino Muslims in Mindanao in the early 20th century. This was President Duterte's overreaction to Washington's condemnation of human rights violations resulting from his anti-narcotics/anti-criminal campaign in the Philippines (Oxford Daily Brief Service, 2016).

In late September 2016, President Duterte announced that he would revitalize relations with China and Russia to cushion the impact of the possible withdrawal of the U.S. from the Philippines in 2017 (*Philippine Daily Inquirer*, 28 September 2016). Speaking in Pampanga, he urged the Filipinos to make a small sacrifice for his plan of proverbially crossing the Rubicon in his ties with the U.S. as he forms partnerships with rival countries (China and Russia) or the countries on the other side of the ideological barrier (*ibid.*). He also revealed his plans to visit China and Russia, and chart an independent foreign policy, and "open (new) alliances" with these two major powers.

Later, in December 2016, then Secretary of Foreign Affairs Perfecto Yasay Jr. said that it would be beneficial for the Philippines and the U.S. to reassess their relationship in the light of the current geopolitical realities (Kyodo News, 22 December 2016). Apparently, he was referring to President Duterte's earlier statement "that China now is the power (in East Asia), and they (the Chinese) have military superiority in

the region.” Echoing China’s rhetoric on the South China Sea dispute, he commented that “the present circumstances, such as the South China Sea (dispute), may no longer require a strategy based on the old concept of the Cold War.” (*ibid.*) Moreover, he indicated that the Duterte Administration intends to utilize the EDCA “to come up with a rapid response during natural calamities, to address terrorism, and to enhance Philippine law-enforcement capabilities.” (*ibid.*) He added that that “joint military exercises will not be given focus or just downgraded, at least.” (*ibid.*) In effect, the continued existence of the Philippine-U.S. alliance would revolve around the Duterte Administration’s war on drugs, Humanitarian Assistance and Risk Reduction (HADR), and counter-terrorism operations against Islamic militants in Mindanao. This thrust has essentially rendered the alliance useless in constraining and deterring China’s maritime expansion in the South China Sea.

### **8. Pursuing an Appeasement Policy on China**

After a three-year wait, the PCA decided on the maritime dispute between the Philippines and China on 12 July 2016. The five-judge PCA unanimously ruled in favor of the Philippines on almost all of its claims against China. It determined that China’s claim to historic rights through its nine-dash line in the South China Sea is contrary to international law (Permanent Court of Arbitration, 2016). The court noted that none of the Spratlys are legally islands because they cannot sustain a stable human community or independent economic life (*ibid.*). Finally, it found China guilty of damaging the marine environment by building artificial islands, and of illegally preventing Filipinos from fishing and conducting oil explorations in the Philippines’ EEZ (*ibid.*).

Despite its overwhelming legal triumph, the Duterte Administration met the eagerly anticipated decision with sober, cautious, and even

-muted reaction. Its response was ultra-low key as it neither flaunted the victory nor taunted China with the favorable ruling. Although the domestic reaction was overwhelmingly positive and jubilant, then Foreign Secretary Yasay merely said that he welcomed the ruling and called on the Filipinos to exercise restraint and sobriety. During the 49th ASEAN Foreign Ministers Meeting in Laos, Foreign Secretary Yasay withdrew the country's motion to include the PCA decision in the ASEAN Joint Communique after Cambodia objected to its inclusion. Designated as the country's special envoy to China, former President Fidel Ramos suggested that the PCA award be set aside as the Duterte Administration is still pursuing bilateral negotiations with China. Irrefutably, the government is adopting an appeasement policy on China despite the PCA ruling favorable to the Philippines.

President Duterte is evidently forging a calibrated foreign policy by gravitating toward China. He declared that he is amenable to direct bilateral negotiations with China. In contrast, former President Aquino brought the South China Sea dispute for international arbitration at the PCA. Sounding subservient, President Duterte said that the PCA Award to the Philippines is purely a bilateral issue between the Philippines and China, and is not a concern of the ASEAN (Oxford Daily Brief Service, 2016). Then Foreign Secretary Yasay argued "that the relationship between the two countries (China and the Philippines) was not limited to the maritime dispute. There were other areas of concern in such fields as investment, trade, and tourism and discussing them could open the doors for talks on the maritime issues." (*The Philippine Star*, 18 September 2016)

Intentionally, President Duterte has created a diplomatic/strategic cleavage between the Philippines and the U.S. by leaning on China and Russia (Agence France Press, 2016). Accompanied by 250 Filipino businesspersons, he visited China on 20-21 October 2016 to seek a new

partnership at a time when tension between the Philippines and the U.S. was mounting (*Business Insider*, 11 October 2016). President Duterte's foreign policy agenda involves developing and maintaining an independent and pro-active posture so he can adroitly balance the major powers in East Asia. This is aimed to foster Philippine-China bilateral relations that would enable the two countries to embark on major infrastructure and investment projects, as well as other forms of cooperation to restore mutual trust and confidence.

During their first meeting, President Xi Jinping and President Duterte talked about enhancing practical bilateral cooperation. Specifically, President Xi asked President Duterte to coordinate their development strategies and cooperate with each other within the framework of the BRI (National Institute for Defense Studies, Japan, 2017). Both leaders issued a joint communique that laid down areas for comprehensive cooperation and signed memorandums of cooperation in 13 areas including economics and trade, investment, financing, and construction of infrastructure (*ibid.*). The total amount of money committed by China to boost economic cooperation between the two countries was US\$13.5 billion, of which US\$9 billion was earmarked for Philippine infrastructure development (*ibid.*).

In his speeches and policy initiatives after his 2016 trip to China, President Duterte intimated that he is diplomatically and strategically disengaging the Philippines from the U.S. while tilting the balance in favor of China and Russia (Agence France Press, 2016). Toeing the line, then Foreign Secretary Yasay admitted that the Philippines is helpless in stopping China's maritime expansion and militarization activities on the disputed islands in the South China Sea (*Philippine Daily Inquirer*, 17 December 2016). He mentioned that it is wiser and more prudent to let other countries that are concerned with China's activities take action (themselves), citing the U.S. and Japan which have raised their concerns

on the freedom of navigation and overflight operations (*ibid.*). He announced as well that the Philippines has its own bilateral engagement with China to ensure no further actions (*ibid.*).

On 20 December 2016, Chief Presidential Legal Counsel, Salvador B. Panelo, recommended that the PCA ruling favoring the Philippines be set aside temporarily “since the country cannot enforce it against China” (*BusinessMirror*, 21 December 2016). He went on to say, “instead of trying to enforce it against China with a minimal chance of success, the Philippines should take advantage of economic benefits resulting from better relations with China.” (*ibid.*) On 22 December 2016, President Duterte himself declared his readiness to shelve aside the PCA ruling amidst reports that PLAN has installed weapon systems in the seven land features occupied by China (*The Philippine Star*, 18 December 2016). Succinctly, he said the changing nature of international politics in Southeast Asia prompted his decision. This stance radically differs from President Aquino’s position of standing up to China.

President Duterte’s position of not challenging China on building structures on the disputed shoal springs from his calculation that appeasing China has its rewards. His pro-China stance could spell billions of US dollars in deals including an agreement for agricultural exports to China, and loans for infrastructure projects such as railways and hydroelectric dams through the BRI. By early 2017, President Duterte’s efforts to appease China began to bear fruit. In February 2017, the vice-governor of the state-owned China Development Bank visited one of Manila’s main terminal facilities to look at the prospects of investing in Manila, Cebu, and Davao. The ocular inspection came on the heels of the Philippine decision not to challenge Chinese expansionist efforts in the South China Sea (Mooney, 2017). Moreover, the Philippines tries to interest the China National Technical Import and Export Corporation to expand the Manila Harbor Center Port Terminal

by constructing an additional 20 hectares (49 acres) of handling, and storage space and 1,000 meters (3,280 feet) of new berthing space (*ibid.*). On the one hand, from China's perspective, proximity to the South China Sea makes Philippine ports attractive to Chinese capital. On the other hand, the Philippines urgently needs investments and expertise to improve the economy's seaborne trade network (*ibid.*).

In March 2017, President Duterte admitted that the Philippines could not stop China's reported plan to construct an environmental monitoring station on the disputed Scarborough Shoal (*The Philippine Star*, 20 March 2017). Questioned by a journalist about his view on the prospect of China building a radar station on the shoal, President Duterte exposed his appeasement scheme vis-à-vis Chinese maritime expansion when he answered: "We cannot stop China from doing this thing. So what do you want me to do ... declare war on China? I can, but we'll all lose our military and policemen tomorrow." (*The American Interest*, 2017) Interestingly, President Duterte even wants Chinese ships "to pass or come and dock" in the Philippines as long as "they will not do anything to the Philippine Coast Guard (PSG) as it patrols the country's maritime waters." (*The Philippine Star*, 20 March 2017)

In March 2017, Chinese third vice-premier Wang Yang visited Davao City and witnessed the exchange of letters between Philippine and Chinese officials on the feasibility studies on infrastructure projects that China will finance (Philippine News Agency, 2017). The Chinese vice-premier visited portions of the proposed Davao Coastline and Portland Development Project. He was also briefed on the planned Davao City Expressway and the Mindanao Railway. Vice-Premier Wang duly expressed China's interest to fund the various infrastructure projects presented to him while he was in Davao City (*ibid.*). After that, the Philippines and China signed a six-year economic cooperation agreement (*The Philippine Star*, 19 March 2017). The agreement



commits China to finance 15 big-ticket infrastructure projects such as the US\$53.6 million Chico River Pump Irrigation, the US\$374 million New Centennial Water Source – Kaliwa Dam, and the South Line of the North-South Railway (*ibid.*).

Not surprisingly, President Duterte is acquiescent to increased Chinese island-building activities in the South China Sea. Obviously, he has been lured by the Chinese promise of trade concessions, grants, loans, and investments. Consequently, his administration has parroted Beijing’s official line “that after several years of disruption caused mainly by non-regional countries (Japan and the U.S.), the South China Sea has calmed with China and Southeast Asian countries agreeing to peacefully resolve [their] disputes.” (Sutter and Huang, 2017)

In mid-May 2017, President Duterte and his cabinet went to China for the second time in less than a year to attend the BRI Forum for International Cooperation. They all literally chanted the mantra “that the BRI complements the administration’s Build-Build-Build Infrastructure Plan” (*Asia News Monitor*, 16 May 2017). The plan involves the building of nationwide infrastructure network that will connect the Philippines’ seven thousand and one hundred islands into one cohesive and dynamic whole and make the country one of Asia’s tiger economies (*MENA Report*, 2017). Top government officials are convinced that BRI could provide the necessary capital for the Philippines to improve its infrastructure and connectivity, and thus create the international context for the infrastructure plan of the Duterte Administration (Xinhua News Agency, 2017). They accept without any doubt Beijing’s official line that China has a surplus of capital as well as experience and expertise in infrastructure construction. They also regard the BRI as more than an infrastructure-building enterprise as it will also expand the regional market, diversify the investment scheme, and reinforce people-to-people connectivity.

The Chinese host told the Philippine delegation that as part of the ASEAN connectivity plan, Indonesia, Malaysia, and the Philippines will be connected directly to Singapore, then all the way to Kunming in Southwest of China (*BusinessMirror*, 14 May 2017). From there, the Philippines will be further linked to Central Asia and then to Europe (*ibid.*). Elated by this scheme of direct connection to Eurasia and Europe, the Philippine business delegation released a statement in Beijing lauding the BRI:

We note that (President Xi) desired the Belt and Road as a bridge for peace, a road to prosperity, a way to boost inclusive growth and balanced development, and to promote equality. The Philippines shares the view that a peaceful environment is needed to achieve development goals. We are looking forward to the One Belt, One Road Initiative in promoting a prosperous and peaceful community of nations.

(Xinhua News Agency, 2017)

The current strategy of sustained economic and inclusive growth of the Philippines is anchored on an unprecedented infrastructure program that entails Php (Philippine peso) 8.4 trillion (estimated US\$17 billion in funds) over the next five years. The Philippines eyes a sizeable portion of the estimated US\$1 trillion that China will invest in 60 countries to develop land and maritime routes following the old Silk Road network that once connected China to Central Asia and Europe. Furthermore, it is projected that China-led program will not only help the Philippines' infrastructure development will also promote global free trade and integrate Asian and European economies (Xinhua News Agency, 2017). Philippine finance secretary Carlos Dominguez III articulated the administration's high expectations from the BRI when he opined:

The Philippine is building a lot of infrastructure, of course with the help of China, and among the infrastructure that we are building are ports and airports. That will lower the cost of shipping our goods to say Hong Kong or to Shanghai and that will open markets to us along the corridor between China and the Middle East and Europe... We are the largest exporters of tropical fruits (in Asia) so definitely there will be a lot of benefits to us if we are able to open markets in let's say Kazakhstan, in Uzbekistan, along the One Belt, One Road area...

(Xinhua News Agency, 2017)

## **9. Pursuing the Appeasement Agenda in ASEAN**

During President Aquino's term, the Philippines brought the South China Sea dispute to the attention of the ASEAN. The Philippines hoped that this regional association could convince China to accept a more binding code of conduct in the South China Sea to prevent it from building more military outposts on the islets and shoals and from conducting provocative actions against the other claimant states. In April 2012, the Philippines tried to elicit ASEAN's support for its proposal for a creation of a "Zone of Peace, Freedom, Friendship, and Cooperation". This proposal simply sought the clarification on the maritime boundary claims in the South China Sea by all parties, as well as the conversion of disputed areas into special enclaves where disputing parties could jointly develop projects (International Crisis Group, 2012). China, however, did not want the dispute to be multilateralized, preferring to resolve it bilaterally.

During the 30th ASEAN Summit Meeting in Manila, however, President Duterte downplayed this territorial row. He announced on April 27 that he would not raise the PCA rulings on the South China Sea during the ASEAN summit (Associated Press, 2017). During a press

conference at the Malacañang Palace two days before the event, he emphatically declared that “we [ASEAN] will skip, I will skip the arbitral ruling. It is not an issue here in the ASEAN.” (EFE News Service, 2017) By accepting Chinese economic largess and rejecting former President Aquino’s confrontational stance on the South China Sea dispute, President Duterte dismissed benefits that could come out from the PCA ruling. Responding to his domestic critics, President Duterte deridingly pointed out: “What would be the purpose of discussing it? Who will dare pressure China?” (*The Wall Street Journal*, 30 April 2017)

True to his word, President Duterte as chairperson of the 30th ASEAN Summit avoided any adversarial statements directed at China. The chair’s communique neither included any references to China’s island building and weapons deployment on the reclaimed land features nor touched on the PCA ruling that declared China’s excessive claim in the South China Sea as a violation of international law. ASEAN diplomats alleged that the Chinese government pressured the Philippines to keep the South China Sea issue off the ASEAN agenda. The communique, however, retained the phrase “the need to demonstrate full respect for legal and diplomatic process in resolving the dispute”. This was a subtle reference to the PCA ruling and to the regional negotiations for a code of conduct (COC) in the South China Sea (Sutter and Huang, 2017). Still, the statement also welcomed China’s cooperation with ASEAN on the drafting of a COC framework.

Some ASEAN leaders tried to include the phrase “such reclamation and militarization (in the South China Sea islands) that may further complicate the situations”. However, President Duterte determined that it was pointless to discuss China’s island reclamation in the disputed waters and the PCA ruling, calling both as non-issues (*The Straits Times*, 1 May 2017). Pleased by the Philippine president’s moves to soften the

chairperson's communique, the Chinese foreign ministry noted: "Mr. Duterte's remarks said that it would continue to deal with the Philippines to create a sound environment for stable development of bilateral relations." (Associated Press, 2017) Consequently, during the Philippines' chairmanship, Chinese premier Li Keqiang cited previous ASEAN meetings to substantiate that the tension in the South China Sea has eased and the two sides are making notable progress in negotiating for a COC to manage the maritime dispute (Sutter and Huang, 2017). Other Chinese officials gloated over China's remarkable success in preventing ASEAN from challenging Chinese expansion in the South China Sea, which means that the process of negotiating a COC and its eventual outcome will legitimize Chinese control of the disputed sea.

## **10. Weighing the Cost of the Appeasement Policy**

Philippines has not collected any substantial returns from its appeasement policy. As a littoral country separated from continental Asia, there was uncertainty on how the Philippines could benefit from the BRI. China excluded the Philippines from countries that are projected to be part of a web of six economic corridors linking China with each of its neighboring sub-regions (Wuthnow, 2017). This was because of the two countries' territorial dispute on the South China Sea (*The Manila Times*, 2 December 2016). China envisioned that the BRI would help manage the territorial rows in the South China Sea by pulling states away from the zero-sum mindset. China projected Vietnam's participation in the BRI projects since this will lead to the stronger Sino-Vietnamese relations. However, Chinese analysts saw the Philippines as a Southeast Asian country that is wary about its role in the South China Sea (*ibid.*). The Philippine, under the Aquino Administration, might perceive the Maritime Silk Road (MSR) as a type of strategic weapon

that China will be using to press its territorial ambition in the disputed waters (*ibid.*).

China only considered the Philippines as a possible BRI-aid related recipient after President Duterte effected his appeasement policy on China in the latter part of 2016. However, when the Philippines became a BRI beneficiary in 2017, the initiative suffered a major setback. Projects from Pakistan to Tanzania to Hungary were cancelled, renegotiated, or delayed. This was because of disputes over cost or complaints from the host countries that alleged that they get too little financial returns from infrastructure projects built by Chinese companies and financed primarily by Chinese loans (*The Manila Times*, 18 April 2018). BRI participating countries complained that China provides not only funding but also project management, equipment, construction materials and even workers. This, however, triggered public backlash and questions over the actual benefits of BRI projects, especially on domestic job generation. High-profile BRI-financed high-speed rail projects in Thailand and Indonesia were all marred by significant delays due to execution problems ranging from land acquisition to cost overruns and other constraints (Paracuelles, 2018).

In May 2017, President Duterte went to Beijing to follow up on his initial negotiation with President Xi in October 2016 (*ibid.*). The Philippines then sought Chinese investments in the reclamation of the Davao coastline, seaport and the construction of bulk terminal projects in cities such as Davao, Cebu, and Manila, and the building of highways and railways amounting to US\$9 billion. The Philippine ambassador to Beijing, however, admitted that “there were several discussions between the countries regarding these BRI projects, but they remained discussions way into 2019.” (*China Daily*, 4 January 2018) Existing BRI-related projects in the Philippines included the constructions of two bridges in Manila and a projected larger South Long Haul Railway that

will connect ports and special economic zones in the main island of Luzon (*The Manila Times*, 18 April 2018). However, there is no single major port constriction project that “would have been more in line with the BRI’s thrust of increasing regional connectivity and allow the Philippines to be linked to the Maritime Silk Road.” (*ibid.*) The absence of such projects constrains the Philippines from fostering closer economic ties with Asia and Europe. The Nomura Institute observed that “most of the big-ticket multi-year projects (under the BRI) in the pipeline are still under consideration and may therefore be susceptible to the risk of another pivot when a new (Philippine) president takes over in 2022.” (*ibid.*)

In August 2018, Philippine Secretary of Finance Carlos Dominguez admitted the incremental flow of Chinese public sector investments. He said that there had been “roadblocks” on the flow of Chinese Official Development Assistance (ODA), particularly Beijing’s hesitation to co-finance certain projects with other lenders and use of renminbi in ODA disbursement instead of dollar (*The Philippine Star*, 14 November 2018). He also revealed that ODA flow from China was delayed because of the reorganization of the Chinese government in early 2018 (*ibid.*). Prior to President Xi Jinping’s November 20, 2019 state visit, the country’s economic managers disclosed that among the 10 big-ticket Chinese-funded projects in the country, the Philippines and China have concluded only one loan agreement – the US\$62.09 million Chico River Pump Project (*ibid.*).

Publicly acknowledging the snail-pace implementation of Chinese-funded infrastructure projects, Budget Secretary Benjamin Diokno said “that the visit of the head of state of China will put pressure on the speedy implementation of all these projects.” (*ibid.*) He explained that the delay in the implementation of Chinese-funded projects is due to the Philippines’ lack of experience in certain technology such as the

construction of railroads, the competitions among regional-local elite over train stops, the negotiation to settle differences between Manila and Beijing on co-financing options, Renminbi usage, and labor-sourcing requirements (Ordaniel and Camba, 2018). Secretary Diokno added that President Xi's visit to Manila would "(hopefully) put pressure on their bureaucracy to speed up the process." (*GMA News*, 14 November 2018)

However, the Nomura Research Institute believes that China-funded projects in the Philippines were delayed not only because of technical issues. The delay was also caused by growing domestic political struggles in the Philippines, possible change in Philippine administration by 2022, and developments related to the South China Sea dispute (*The Manila Times*, 18 April 2018). There is currently public mobilization and oppositions against Chinese infrastructure projects that stems from the widespread public fear of China as a security threat that have often outweighed the economic benefits of Chinese public investments (Ordaniel and Camba, 2018). The Chinese are also hesitant to bring in huge infrastructure projects in the country because these "projects would also hinge on the developments in the South China Sea claims, which will depend on the next administration's stance (vis-à-vis China)." (*The Manila Times*, 18 April 2018)

Interestingly, despite the Philippine-China rapprochement, there is still a lingering public fear about the possible security implications of large-scale Chinese infrastructure construction projects in the country. Some Filipino government officials are also skeptical about the viability of these long infrastructure projects given the geopolitical risk because of the competing territorial claims in the South China Sea (Paracuelles, 2018). The Nomura Institute keenly observed: "Even today, amid President Duterte's high popularity ratings, there are growing concerns about the mismatch between the speed with which China has built structures on disputed islands and how little progress has actually been



made on infrastructure projects or the FDI inflows that the Philippines receive from China so far.” (*The Manila Times*, 18 April 2018)

## **11. The Long-term Cost of Appeasement**

China has not only failed to deliver the economic rewards for the Duterte Administration’s appeasement policy. Moreover, facilitating China’s efforts to project its maritime power in the Western Pacific is adversely affecting the Philippines’ territorial and long-term strategic and economic interests as an archipelagic state. The Duterte Administration’s appeasement policy on China does not only cost the Philippines its territorial rights in the South China Sea and the trust and confidence of its traditional allies and security partners. By appeasing an expansionist power, the Philippines becomes complicit in China’s long-term strategy of maritime expansion aimed to ease the U.S. out of East Asia. It also upsets the present balance of power in the region, and more significantly, erodes Southeast Asia’s maritime order. The Duterte Administration’s appeasement policy on China has the following far-reaching implications:

- 1) *Preempting the formation of an international coalition that can advance the 2016 UNCLOS Award versus China’s maritime expansion* — The PCA award produced the basis and motivation for cooperation among states that are threatened by China’s maritime expansion and consequently, are supportive of international law. Before 12 July 2016, the maxim of “to each his own” hindered these states from engaging in robust cooperation to constrain China’s maritime expansion. With the PCA’s ruling that China’s nine-dash line is invalid, littoral states like the Philippines, Malaysia, Indonesia, and Vietnam can join forces and lawfully align themselves with major

naval powers like the United States, Japan, Australia, and India to defend their EEZ against Chinese encroachment, and rationalize the effort to uphold international law. If cooperation among these states before the ruling could easily be interpreted as taking sides and ganging up on China, now it can be regarded as a collective effort by the international community to defend the rules-based international order against an aggressive and expansionist power. However, by appeasing China, the Philippines has lost any motivation and the moral high ground to form and lead this coalition of states. Instead, it subscribes to China's preferred solutions to the South China Sea imbroglio – bilateral negotiations and joint development.

- 2) *Widening the cleavage within ASEAN* — As a regional association of middle and small powers in Southeast Asia, the ASEAN has the potential to constrain China from expanding into the South China Sea and unravelling the regional maritime order. Since 2003, China has not only prevented ASEAN from effectively embedding it to the association's way of managing security issues by stonewalling the Southeast Asian states' efforts to negotiate a multilateral and legally binding Code of Conduct (COC). More importantly, it has also effectively neutralized the regional organization by creating divisions within ASEAN by slicing its member states one by one. Called the "salami strategy", this involves offering each claimant state a joint development venture as a means of resolving the South China Sea dispute. This is an important component of China's diplomatic initiative of "setting aside disputes and pursuing joint development" with a claimant state on the disputed maritime territories that from China's perspective actually belong to it. By accepting China's offer of joint development, the Philippines has effectively widened the divisions within ASEAN and has effectively weakened this regional association.

3) *Emboldening China's expansion into the South China Sea leading to the unravelling of Southeast Asia's maritime order* — From 2011 to 2016, the Aquino Administration pursued a balancing policy on China as it promoted closer security cooperation with the U.S. The most salient component of this balancing policy on China is the signing of the EDCA, which provides American forward-deployed forces strategic rotational presence in Philippine territory, as well as extensive access to Philippine military facilities. The agreement has been forged to strategically constrain China that has stepped up its territorial foothold in the South China Sea. The Aquino Administration also filed a claim against China in the PCA. President Duterte is undoing President Aquino's geopolitical agenda of balancing China's expansive claim in the South China Sea. He distances his country from its long-standing treaty ally while moving closer to a regional power bent on effecting a territorial revision in East Asia. He has also set aside the 2016 UNCLOS decision on the South China Sea dispute. His maritime security policy is aimed at appeasing China, in contrast to President Aquino's balancing strategy. The Duterte Administration is convinced that its appeasement policy on China is worth pursuing because it makes the country a beneficiary of the latter's emergence as a global economic power.

China effectively changed Philippine foreign policy because it found an effective tool to drive a wedge between countries and within countries that it sees as having impact on its core interests such as Taiwan, Tibet, and the South China Sea. Through BRI, China was able to undermine U.S.-led bilateral alliances in East Asia and the Southeast Asian maritime order so as to empower it to create new power relationships and arrangements that exclude the United States. Relevant to the South China Sea dispute, the BRI enabled China to foster greater stability in its bilateral relations with the disputant

countries. This became evident, as China was able to influence Philippine domestic politics in 2016, veer the country away from its main strategic ally, the United States, and alter its balancing policy on China's expansionist agenda in the South China Sea. China's ability to change the Philippines' foreign policy related to the South China Sea dispute is emboldening this emergent power to expand to the South China Sea and in the process, relegate Southeast Asia's global, open, and liberal maritime order to the dustbin of history.

## 12. Conclusion

President Duterte's appeasement policy is undoing President Aquino's geopolitical agenda of balancing China's expansive claim in the South China Sea. He distances his country from its long-standing treaty ally, while cozying up to a regional power bent on effecting a territorial revision in the East Asia. He has also set aside the 2016 UNCLOS decision on the South China Sea dispute. His maritime security policy is designed to appease China, in contrast to President Aquino's balancing strategy.

Evidently, the Duterte Administration is convinced that its appeasement policy on China is worth pursuing because it makes the Philippines a beneficiary of the latter's emergence as a global economic power. However, China has not reciprocated the latter's appeasement policy as it has delayed the funding of various infrastructure projects under the Philippine government's Build, Build, Build program. By appeasing an expansionist power, however, the Philippine government colludes with China in its long-term strategy of maritime expansion aimed to ease the U.S. out of East Asia. This will upset the current balance of power in the region. Furthermore, by being complicit in China's moves to project its maritime power in the Western Pacific,

particularly in Southeast Asia's maritime commons, the Philippines puts at risk its territorial, strategic, and economic interests as an archipelagic state in the Indo-Pacific. More significantly, the Philippines' efforts to appease China embolden the latter to pursue its expansionist agenda in the South China Sea and, in the process, make Southeast Asia's global, open, and liberal maritime order a thing of the past.

## Notes

+ This is a longer and theoretical version of a paper that was presented in the international conference on "Multipolarism in Asia: Issues and Challenges" at the Institute for Defense Studies and Analyses (IDSA), New Delhi, India, 26-28 March 2019.

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1. The term appeasement has acquired a derogatory overtone both in common parlance and historical scholarship as it supposedly symbolizes the sacrifice of principle (such as sovereignty or independence) for the expedience of placating an expansionist power by the status quo states. However, if properly conducted, appeasement is regarded as an integral part of the Balance of Power process as it is aimed to maintain order and reduce the incidence of great power conflict and rivalry by accommodating the interests of emerging powers to facilitate the peaceful transformation of the international system. See: Graham Evans and Jeffrey Newham, *The dictionary of world politics: A reference guide to concepts, ideas, and institution* (London: Harvester Wheatsheaf, 1992), pp. 16-17.
2. Small or minor powers are generally small or even medium-sized states whose territory, population and resource base make it difficult for them to defend themselves against external military attacks or other forms of big power intervention. To insure their security, this type of states is generally compelled to adjust its bilateral relations with the big powers and to deal with changes in the regional balance of power. There is no general pattern of behavior on how small powers relate with the big or major powers. Rather, each of these states maintains a specific pattern of relation with the major or big powers, each has been affected differently by changes in the latter policies, and each has responded in various ways. See: Laura Neack, *The new foreign policy: U.S. and comparative foreign policy in the 21st century* (Maryland: Rowman and Littlefield Publishers, 2003). pp. 108-159.
3. Peter Dutton, "A maritime or continental order for Southeast Asia and the South China Sea?" Address at Chatham House, London, U.K., 16 February 2016, p. 5. The idea of a global, open, and liberal maritime order is based on the ocean-related legal doctrine that "the high sea like the air is common to all humanity (*Maris Communem Usus Omnibus Hominibus ut Aris*)." This principle states that the right to exclusive control of sea cannot

be authorized nor accepted by the international community. Parts of the seas, considered as the high seas, cannot be included in the territorial sea or in the internal waters of a state. The high seas may be used freely by ships of all nations. See: Seiya Eifuku, “Projection of maritime interests”, *Maintaining maritime order in the Asia-Pacific* (Tokyo, Japan: Urban Connections, 2018), p. 138.

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