From Balancing to Accommodation: Understanding the Philippines’s Relations with the US and China in Post-Arbitration Period

Oktay Küçükdeğirmenci
Ph.D. Candidate, Department of International Politics, Shandong University, Shandong, China
Arsenio Castro Zandamela
Ph. D. Candidate, Department of International Politics, Shandong University, Shandong, China

Abstract:
This article examines the nature of the Philippines’ response with respect to China and the United States (the US) in the period of post arbitration, roughly beginning from July 12, 2016 when the Permanent Court of Arbitration (the PCA) in the Hague, issued a ruling in the case of the disputed Spratly Islands until present. The significance of the research comes from the strategy used by secondary states of international politics in dealing their relations with great powers. The Philippines seems to have been stuck between the United States and China, in particular, in the wake of post-arbitration. In the literature, majority of the study indicates that the Philippines is shifting its policy from balancing with the United States to accommodation with China. However, current alliance between the United States and the Philippines and China’s ongoing activities in the South China Sea prevent the Philippines of employing exclusively accommodation with China. The article finds that although Manila and Beijing are strengthening their ties in many domains, the United States and the Philippines are expected to remain allies in the near future. Consequently, we consider that the Philippines’ policy of accommodation with China is just a complementary policy rather than an alternative approach.

Keywords: Balancing, accommodation, post-arbitration, south China Sea, the Philippines

1. Introduction
The strategy employed by secondary states1 in managing their relations with powerful states has been subject of growing interest in the study of relationships among secondary and powerful states (Greitens, 2016; Levick and Schulz, 2020; Gunasekara, 2015). Among the reasons to justify this, the most sounding is the existing myriad of conflated concepts attempting to capture secondary states’ strategies with respect to powerful countries (Levick and Schulz, 2020). The boundaries amid the concepts attempting to shed light on secondary states’ strategies in coping with powerful states are not always clear. Philippines’ strategy concerning China after President Rodrigo Duterte came to power falls in this category of conflated concepts. While the majority of research on this topic appears to agree that the Philippines is moving from balancing to accommodating China, the existing alliance between the United States and the Philippines complicates this approach (Wong, 2017). This is to say, as long as they see accommodation as an alternative to balancing policy, they fail to provide theoretical support to explain why the Philippines is not separating from the US in terms of security policy.

There is a grey zone in the theoretical approach when it comes to identifying the existing strategy in the Philippines-China-US triangular relationship after the Permanent Court of Arbitration (PCA)2 in the Hague, issued a ruling in the case of the disputed Spratly Islands. The Philippines’ has made 15 submissions to PCA with regard to the South China Sea (SCS) disputes, most of which were associated with the application of continental shelf and Exclusive Economic Zone (EEZ) and China’s island development activities (PCA Press Release, 2015). The PCA issued a ruling in the favor of the Philippines over the disputed Spratly Islands in July 12, 2016. Subsequent to the Tribunal’s decision, China continued its argument of historical rights in the SCS and its suggestion of settling the dispute by means of bilateral negotiations between claimant states (Almase, 2017). Although the ruling was seen as a victory by the former Benigno Aquino administration, it was considered largely as a failure for newly elected President Rodrigo Duterte’s administration due to huge costs because this strategy did not prevent China from undertaking build-up military facilities on the artificial islands, which China constructed via land reclamation (Ao, 2019). Besides, China threatened Manila with costly economic

---

1 David R. Mares (1998) identifies secondary states as ones that ‘can disrupt the system, but not change it, through unilateral action. David R. Mares, ‘Middle Powers under Regional Hegemony: To Challenge or Acquiesce in Hegemonic Enforcement’, (International Studies Quarterly), Vol, 32, No. 4, 1998, pp.453-471.

2The PCA was the first permanent intergovernmental organization to provide a forum for the resolution of international disputes through arbitration and other peaceful means. The PCA was established by the Convention for the Pacific Settlement of International Disputes, concluded at The Hague in 1899 during the first Hague Peace Conference. It is entirely separated as an entity from the United Nations.
This study, beyond the introduction, is organized into three sections. The first section offers a full overview of South China Sea disputes between the Philippines and China Post-Arbitration Case. It sheds light on the nature of territorial dispute between the Philippines and China. The second section discusses the strategies employed by the Philippines regarding the US and China. It goes beyond the current approach on this topic by examining own features of territories. The Philippines policy of accommodation with China though sometimes overlap each other and do not exclude the ideal types (Pape, 2005; Walt, 1991; Yeung, 2016). This approach helps to build the central argument of the research. The Philippines’ policy of accommodation with China though represents a quite shift in the Philippines’ policy, is not an alternative approach, on the contrary, it goes alongside the long balancing policy pursued by the Philippines having the US as a security ally. In fact, the US factor makes it harder to designate the Philippines’ strategy concerning China. Recurring to solid theoretical and empirical evidence, this study demonstrates that the Philippines and the US remain strategic allies and the China factor ends up feeding that alliance (Albert, 2016). The Philippines’ policy of accommodation with China is just a complementary policy rather than an alternative approach.

Methodologically this study sets out to approach the question of secondary states’ responses in dealing with major power. While there are different strategies employed by secondary sates, it examines which one matches the reality in the case of the Philippines regarding China and the US. In East Asia, countries as Japan, South Korea and Vietnam are generally employing dual strategies regarding China. On one hand, they are balancing China as expected by theory of balance of power (Waltz, 1979). On another hand, they are accommodating China looking to economic benefits. Yet, the case of Philippines is a quite different from others because besides it is balancing China with support of the U.S.; it is also accommodating China either for security concerns and economic benefits. In this regard, the Philippines case falls out of general approach employed by other East Asian countries insofar as its alignment with China is not only for economic benefits. To this end, it shed light on the Philippines case.

This study, beyond the introduction, is organized into three sections. The first section offers a full overview of South China Sea disputes between the Philippines and China Post-Arbitration Case. It sheds light on the nature of territorial dispute between the Philippines and China. The second section discusses the strategies employed by the Philippines regarding the US and China. It goes beyond the current approach on this topic by examining own features of territories. The Philippines policy of accommodation with China though sometimes overlap each other and do not exclude the ideal types (Pape, 2005; Walt, 1991; Yeung, 2016). This approach helps to build the central argument of the research. The Philippines’ policy of accommodation with China though represents a quite shift in the Philippines’ policy, is not an alternative approach, on the contrary, it goes alongside the long balancing policy pursued by the Philippines having the US as a security ally. In fact, the US factor makes it harder to designate the Philippines’ strategy concerning China. Recurring to solid theoretical and empirical evidence, this study demonstrates that the Philippines and the US remain strategic allies and the China factor ends up feeding that alliance (Albert, 2016). The Philippines’ policy of accommodation with China is just a complementary policy rather than an alternative approach.

Methodologically this study sets out to approach the question of secondary states’ responses in dealing with major power. While there are different strategies employed by secondary sates, it examines which one matches the reality in the case of the Philippines regarding China and the US. In East Asia, countries as Japan, South Korea and Vietnam are generally employing dual strategies regarding China. On one hand, they are balancing China as expected by theory of balance of power (Waltz, 1979). On another hand, they are accommodating China looking to economic benefits. Yet, the case of Philippines is a quite different from others because besides it is balancing China with support of the U.S.; it is also accommodating China either for security concerns and economic benefits. In this regard, the Philippines case falls out of general approach employed by other East Asian countries insofar as its alignment with China is not only for economic benefits. To this end, it shed light on the Philippines case.

2. South China Sea Disputes between the Philippines and China and Post-Arbitration Case

The SCS is one of the most significant regions in the world, covering an area of around 3.5 million square kilometers, constituting part of the Pacific Ocean (Lintao, 2018). According to definition made by International Hydrographic Bureau, the SCS is the ‘body of water stretching in Southwest to Northeast direction, whose Southern border is three degrees South latitude between South Sumatra and Kalimantan, and whose northern border is the strait of Taiwan from the northern tip of Taiwan to Fukien coast of China’ (Global Security, 2008; Velasco, 2014). The region is reach in rich oil and natural gas reserves, coral reef, minerals, fisheries and precious materials (Velasco, 2014; Yilmaz and Liu, 2019; Lintao, 2018). Some influential Asian actors are among the littoral economies, including Brunei, Cambodia, China, Indonesia, Malaysia, Philippines, Singapore, Taiwan and Thailand (Joyner, 1999).

In addition to these assertions, China enacted a special territorial sea and contiguous zone act to legitimate its claims aimed at Spratly islands in 1992. Article 2 of this act determines Spratly and Paracels islands as Chinese territory (Joyner, 2014). Furthermore, China passed an EEZ and Continental Shelf Law in 1998, which article 15 of this act says ‘The provisions in this law shall not affect the rights that the PRC has been enjoying ever since the days of the past’ (EEZ and Continental Shelf Law Act, 1998). By 2009, China officially submitted its nine-dash lines claim to the United Nations (UN) (Chubb, 2016). In 2013, China added a 10th dash on the eastern side of Taiwan with a map released by Sino
Maps Press, which is under the jurisdiction of China’s State Bureaus of Surveying and Mapping (Caprio, 2017). China’s sovereignty assertions on the SCS depends on these historical and legal claims.

With Chinese claims, the Philippines loses almost 80% of its EEZ on West Philippines Sea to China, covering the entire Reed Bank and the part of the Malampaya gas field (Caprio, 2017). The Philippine’s claim towards the SCS goes back to the 1940s when a Filipino explorer, Thomas Cloma discovered some islands in the region in 1947, which the Philippine government justifies its assertions to Spratlys islands on the right of discovery as terra nullius. In 1956, Thomas Cloma declared the creation of a new island state whose name is Kalayan and he made himself as chairman of the Supreme Council. At that time, Philippines President, Magsaysay said that this did not mean that the Philippine claimed the islands. Although no government recognized the lawfulness of this new state, Cloma insisted on his claim until 1970s, when the oil exploration near the coast of Palawan supported the opinion of subsea riches that may be claimed by the Philippines. The first official Philippine claim came in 1971 when the Philippines occupied some elevations in the Spratlys islands, which provided legally defensible claim for the Philippines. After that, then Philippines’ dictator, Ferdinand Marcos forced Cloma to transfer the Kalayan to the Philippine state in 1974 (Caprio, 2017; Joyner, 2014; Lintao, 2018; Kreuzer, 2018).

Moreover, as of 1978, the Marcos government declared its annexation the archipelago to the Philippines under the name of Palawan province. According to official Philippine position, Kalayan island group are not part of, but separate from the Spratly and Paracel islands. The Philippine claim rests upon geological assertion that the continental shelf of the Kalayan island group is collocated to the Palawan province. This area extends into the Philippines’s 200 nautical miles EEZ, which the Philippines established its EEZ in the late 1970s along with Malaysia. (Joyner, 2014).

The relations between Philippines and China has been dominated by territorial disputes over the Spratly islands for a long time. In April 2012, the Philippines Navy detected some Chinese fishing vessels near the Scarborough Shoal with illegal and endangered marine species and live sharks, which the act was violation of the Philippine law because the area is in the scope of 200 nautical miles EEZ of the Philippines (Won, 2014). The Philippines used a US Coast Guard cutter to detain the Chinese fishermen. This triggered China to deploy its paramilitary, coast guard, and naval forces around the Scarborough Shoal. This naval standoff lasted ten weeks, and on June 15, 2012, the Philippines withdrew its military forces from surrounding area of the Shoal and conceded to China. Thus, China gained an effective control over the Shoal (Ao, 2016).

The military standoff prompted the Philippines to challenge China’s fishing practices, island-building and territorial claims in the disputed islands by filing an arbitration case in the International Tribunal on the Law of the Sea (ITLOS) in January 2013 (Almase, 2017). The first proposal to resort to law came from Supreme Court Senior Associate Justice, Antonio Carpio, and was supported by the Philippine Department of Foreign Affairs. Then, it was adopted by President BenignoAquino. The Department of Foreign Affairs issued a statement, saying that ‘it had exhausted almost all political and diplomatic avenues for a peaceful negotiated settlement of its maritime dispute with China’ (Buszynski, 2016). Under article 287 and Annex VII of the United Nations Convention on the Law of the Sea (UNCLOS), the Philippines brought the case to the PCA, and thus the region caught international attention (Yilmaz and Liu, 2019). Meantime, in February, 2013, China announced that it would not cooperate with the arbitration case. On December 2014, China also submitted a white paper with reasons to not attend in the proceedings (Lintao, 2018).

On July 12, 2016, the PCA eventually, gave its decision in favor of the Philippines over the dispute. With regard to the nine-dash lines and China’s claim to historic rights, the tribunal concluded that ‘historical navigation and fishing by China in the waters of the South China Sea represented the exercise of high seas freedoms, rather than a historic right, and that there was no evidence that China had historically exercised exclusive control over the waters of the South China Sea or prevented other States from exploiting their resources.

Accordingly, Tribunal concluded that, ‘as between the Philippines and China, there was no legal basis for China to claim historic rights to resources, in excess of the rights provided for by the Convention, within the sea areas falling within the nine-dash line’ (PCA Press Release, 2016).

When it comes to the status of features in the South China Sea, ‘the Tribunal concluded that all of the high-tide features in the Spratly Islands (including, for example, Itu Aba, Thitu, West York Island, Spratly Island, North-East Cay, South-West Cay) are legally 'rocks' that do not generate an exclusive economic zone or continental shelf’ (PCA Press Release, 2016). Furthermore, the PCA judged about lawfulness of Chinese actions in the SCS in favor of the Philippines, saying that ‘the tribunal concluded that China had violated the Philippines’ sovereign rights with respect to its exclusive economic zone and continental shelf’ (PCA Press Release, 2016).

Following the Tribunal ruling, China maintained its discourse of historical rights in the SCS and its suggestion of settling the dispute via bilateral negotiations between claimant states (Almase, 2017). China claimed that because the Tribunal established unilaterally with the request of the Philippines, it was not an international and permanent court for arbitration, and even it had no jurisdiction to decide over sovereignty disputes amid states (Yilmaz and Liu, 2019).

Moreover, China’s Ministry of Foreign Affairs announced that the Tribunal ruling is ‘null and void and has not binding force. The Chinese government will continue to abide by international law, and basic norms governing international relations’ (Buszynski, 2016; Global Times, 2016). This statement implies that Beijing will act selectively what it will admit and what it will deny. Another significant Chinese objection aimed at the ruling is that the Declaration of Conduct (DOC) that China signed with Association of South East Asian Nations (ASEAN) in November 2002 necessitates the Philippines to talk with China. This obligation made Philippines impossible to appeal to the PCA (Buszynski, 2016).

In return, the Philippines government sought to rally support and implement pressure on Beijing. For this reason, it tried to find support from some international organizations like ASEAN and Asia-Europe Meeting (ASEM), and from non-
claimant states like Australia and Japan. The Aquino administration also sought to ensure recognition from both the US and European Union (EU) as well as several regional and international actors (Yilmaz and Liu, 2019). Although the ruling was seen as a victory by the Aquino administration, it was a failure for newly elected President Rodrigo Duterte's administration due to huge costs. The Aquino's strategy provided a victory with the Philippines under the PCA, yet did not prevent China from asserting its claims and from constructing artificial islands in the SCS. Moreover, the Philippines could not take risk to militarize the dispute with China in order to force it to obey with the ruling. Consequently, this strategy brought loses to the Philippines economically (Kreuzer, 2018).

Before being elected, during his election campaign, Rodrigo Duterte had pledged to jetski to the disputed islands with China to raise a Filipino flag, and he also told that he would pay attention on a multilateral solution to territorial disputes, which is an approach that China objects. Hence, he, sometimes, has criticized the usefulness of previous Aquino government’s strategy, and had a positive view to engage in direct bilateral negotiations with Beijing. Furthermore, he illustrated a willingness to shelve disagreements with Beijing in order to seek joint oil and gas exploration in contested waters of the SCS and to benefit from Chinese investment (Greitens, 2016). Having assumed the presidency, in July 2016, Duterte started a new era of bilateral relations between the Philippines’ and China (Kreuzer, 2018; Almase, 2016). The new Duterte’s administration returned to the strategy utilized by the former President, Gloria MacapagalArroyo (2001-2010), which centered on easing the conflict and tensions, and engaging in a cooperative activity and increased economic relations (Kreuzer, 2018). Thus, on 8 August 2016, the former Philippine President Fidel Ramos and former Secretary, Rafael Alunan III were sent by President Duterte to Hong Kong in order to ‘broke the ice’ to show good will with Chinese diplomats who were Madam Fu Ying, Chair of the Foreign Affairs Committee of the National People's Congress, and Dr. Wu Shichun, President of China’s National Institute of South China Sea Studies (Almase, 2016).

The two days meeting between sides in Hong Kong was very beneficial and warm. Ecological preservation, fishing cooperation, transnational operations against illegal drugs and other joint undertakings were in main agenda to reinvigorate bilateral ties amid the Philippines’ and China. Both sides agreed to establish confidence-building measures and taking care not to allow distinct positions on the SCS question harm bilateral relations amid their countries. To that end, a two-track system was established to permit both countries to cooperate on mutual areas of interest, whereas sectioning negotiations on the SCS issue in another way (Almase, 2016). This meeting also opened a way for Duterte’s four days visit to Beijing in October 2016, in order to meet with Chinese President Xi Jinping, resulted in developing bilateral ties and strengthening partnerships in political and economic aspects (Almase, 2016). After this important visit, Duterte returned to his country with Chinese contract and loan promises worth $US 24 billion. During the meeting, China indicated its clear willingness to promote a series of important infrastructure projects of the Philippine’s Build, Build, Build program (Kreuzer, 2018). Thus, Duterte's accommodating policy with China, unlike previous administration, has been awarded by a variety of loans and investments. In addition, Filipino fishermen have returned to fishing activities in the SCS, which they have not done fishing in the region for four years after the naval standoff occurring in 2012 between Philippines and China (Wong, 2017).

In his historic moment, in the wake of the post-arbitration Duterte acknowledged China’s self-righteous role and worldview. Further, he announced a foreign policy separation from its long-ally, the US (Almase, 2016). besides, the Philippines and China issued a joint statement and signed a number of bilateral cooperation agreements. According to joint statement, parties emphasized the significance of reaching a solution for the SCS dispute through peaceful means. Sides promised to implement self-restraint in the conduct of activities in the SCS and to establish and use bilateral negotiations mechanisms. Moreover, they signed a Memorandum of Understanding (MOU) between both countries’ coast guards on the Establishment of a Joint Coast Guard Committee on Maritime Cooperation (Ma, 2017). This new policy change comes into forefront with economic and security concerns. Given the economic considerations, the Philippines worried about being sidelined from Chinese-led initiatives like the Asian Infrastructure and Investment Bank (AIIB) and the Silk Road Fund (SRF) (Yilmaz and Liu, 2019). However, most threatening for the Philippine side was that the Philippines faced the risk of being bypassed by China in One Belt, One Road Initiative (OBOR), which is another significant Chinese-led infrastructure project. In fact, China did not exclude the Philippines’ from the initiative, but some Chinese maps issued before the tribunal’s decision bypassed the Philippines’ (Kreuzer, 2018). Thus, Philippines’ economic concerns enhanced since it needed economic benefits to complete its modernization process.

Furthermore, to many Filipinos, although the Philippines’ won the diplomatic contest and resorted to external balancing, this strategy did not prevent China from undertaking build-up military facilities on the artificial islands, which China constructed via land reclamation (Ao, 2019). Besides, China threatened Manila with costly economic instruments. It was clear that China, one of the largest trading partners of the Philippines, could enjoy economic coercion. This may cripple the Philippines' economy. Even, in facing of Chinese sanctions, exports to other trading partners such as the US and Japan, could not easily compensate losses. Eventually, the US avoided from committing itself to the defense of the non-Metropolitan areas of the Philippines. This means that in case of conflict with China in these areas, the Philippines would be on its own (Kreuzer, 2018). Thus, Duterte’s accommodation policy aimed at China has resulted in de-escalation of maritime tensions and in improving economic and trade ties (Wong, 2017).

Today, China is the largest trading partner, third largest export destination, and the largest source of imports of the Philippines', which the trade volume between them was US$ 55.7 billion in 2018 (Banlaoi, 2019). China is one of the largest foreign investment sources of the Philippines' with $ 66.62 million in 2018 (Philippine Statistic Authority, 2019; Fook, 2018). Following the Duterte’s accommodation policy, Chinese foreign direct investment (FDI) in the Philippines amounted to $ 232.24 million, surpassing the inflows of Arroya and Aquino administrations combined. China has provided Renminbi (RMB) 2.75 billion (approximately $ 398 million) of grants and $ 500 million of soft loans to the Philippines' to
promote its Build, Build, Build plan, which 75 projects have been described for China funding. Moreover, China will provide another RMB 3 billion (around $421 million) from 2019-2022. China is also the largest tourist source of the Philippines’ (Banlaoi, 2019). It can be said that in the economic front, the Philippines benefited from China with its accommodation policy, except for joint oil and gas exploration.

On the security and political front, President Duterte and President Xi have met eight times in the past four years. Parties created bilateral channels of communication at all official levels. Ruling political parties in both countries have sustained close contacts. Duterte’s amity relations with Beijing has eased the security situation and tensions in the West Philippines’ Sea. Although bilateral differences still remain, China and the Philippines’ have agreed to peacefully manage the disputes in the SCS. Further, military to military relations had advanced over the last a few years (Banlaoi, 2019). China has provided military assistance to the Philippines’ during an armed insurgency that erupted in the city of Marawi on May 2017, which the US was reluctant to provide military assistance (Yilmaz and Liu, 2019). By the end of 2018, China provided 1 billion Pesos of military assistance to the Philippines’ government to be utilized for HADR and law enforcement, in particular war on drugs (Banlaoi, 2019).

Notwithstanding all these benefits won by accommodation policy with China, today, tensions between the Philippines’s and China over the SCS has been going on. On December 30, 2017, the Philippines’ side realized that China was still going on building up military facilities on the artificial islands, which China constructed via land reclamation. The Philippines protested China and asked China to keep its promise not to militarize the artificial islands. In May 2018, it was reported that China deployed anti-ship cruise and surface-to-air missiles in the Fiery Cross Reef, Mischief Reef and Subi Reef. The Philippines’ stressed that it would undertake every diplomatic action to preserve its interest (Ao, 2019). Further, on June 9, 2019, a collision amid a Chinese and a Philippine vessel was reported by Filipino fishermen near the Recto Bank in the SCS, which a Philippine fishing boat was sunk by being hit by a suspected Chinese vessel (Associated Press, 2019). By 2020, tensions still have been continuing. On February, 17, 2020, the Philippines’ Navy corvette conducted a patrol mission near the Commodore reef in the SCS. Throughout the mission, it encountered a People’s Liberation Army Navy (PLAN) corvette. Chinese Navy Ship made the following statement: ‘The Chinese government has indisputable sovereignty over the SCS, its islands and its adjacent waters’ (Vicedo, 2020). All these tensions occurring and Chinese activities going on in the SCS led Duterte and his government decided to postpone the Visiting Forces Agreement termination, which is decades-long agreement that permits the US freedom of movement into and within Philippine’s. This means that Philippines’ has felt insecure with ongoing Chinese activities in the SCS and therefore has to keep the US engaged in the region.

3. From Balancing to Accommodation Policy

A country encountered by another country has different policies to cope with the national security equation. Despite Waltz (1979) had not been the first one handling these policies, his way of addressing either balancing or bandwagoning has exerted enormous influence in this field. Waltz (1979) states that states policies fall within the balancing or bandwagoning policies which represent antagonist types of states’ policies. The former one is split into two dimensions. If a country chooses internal balancing as a strategy, it builds the military capabilities by its own efforts. Internal balancing is a self-reliance strategy, which means that the country does not rest upon others for its security (Fatton, 2018). Another balancing strategy is external balancing which is to seek to coalesce with other countries and aims at enhancing the power of allies to face a common threat (Waltz, 1979). The main benefits of this strategy are to reduce the domestic losses related to internal balancing since external balancing distributes the burden to other countries for a credible deterrence. Hence, the main risks lie in ally, for in the event of a crisis, conflict, war, ally can withdraw its support from other ally (Snyder, 1997; Fatton, 2018). A country intends to suspect about its ally’s security commitments and fear of being abandoned if the other is incapable of fulfilling its engagements, or if the ally and the opponent have a constructive relationship. What’s more, as MichealMandelbaum brought forward, each member of an alliance feels anxiety that ‘he will be entrapped in a war he does not wish to fight’ (Mandelbaum, 2008). Glenn Snyder identifies entrapment as ‘being dragged into a conflict over an ally’s interests that one does not share, or shares only partially’ (Snyder, 1997). In turn, bandwagoning is the policy employed by the threatened state by joining force with its dangerous foe to get at least some small portion of the spoils of war (Mearsheimer, 2001). The balancing and bandwagoning polices constitutes the most popular strategies in the study of great power strategies in international relations.

However, when it comes to secondary states strategies new concepts have proliferated, most of them overlapped and often ambiguous terms (Levick and Schulz, 2020). For instance, besides those already mentioned, Mearsheimer (2001) deals with buck-passing –in which the endangered great power tries to get another state to shoulder the burden of deterring or defeating the threatening state; with appeasement or accommodation - in this policy the appeaser aims to modify the behavior of the aggressor by conceding it power, in the hope that this gesture will make the aggressor feel more secure, thus dampening or eliminating its motive for aggression. In accommodation strategy, the country generally makes overtures and concessions to cope with the roots of confrontation, satisfy the opponent and obviate the war. Yet, the accommodation strategy may cause some costs like the development of a reputation as being weak-kneed in case of danger, and loss of independence in foreign policy as well as concessions. In this strategy, not balancing leaves the country’s security dependent on the forbearance of an opponent, which it poses a real danger for the country in that the opponent can, in an unexpected way, turn to aggressive (Walt, 1987).
Levick and Schultz (2020 quoting Ikenberry, 2001) add institutional binding policy - this one happens when states cooperate with the hegemon not because they feel threatened but to achieve mutual gains. Different from balancing in its variants, soft and hard balancing, institutional binding, and accommodation are inclusive policies. What makes it hard to identify which policy any state is employing is not the clarity of each definition, but it is because most of the time the employment of one policy does not exclude others. It is commonplace in this kind of research to sort out this tricky by naming only one policy. However, this way of addressing this question ends up offering amputated portrayals of secondary state polices. For instance, some countries in East Asia are embracing this dual approach, on one hand, they employ institutional binding with the US in order to balance China by security concerns, on another hand, and they seek to accommodate China looking mostly to economic benefits (Lee and Paik, 2017: Smith, 2009; Fatton, 2018; 2004 Ikenberry). Yet, if South Korea, Vietnam, and Japan fall in this category, the case of the Philippines, after international arbitration, presents a notable variation.

The mutual interest of the Philippine’s and the US is to balance China. Yet to understand the US and Philippines’ relationship, we ought to capture three different stages. The first stage covers the period from 1898 to 1946 when the Philippines’ were under the control of the US. The Philippines’ became a US. territory in 1898 after the Spanish-American War (Constantino, 1975). During this period, the US sought to convey the idea of altruistic occupation to promote democracy, education, roads, and sanitation as well as preparing the Philippines’ for independence (Constantino, 1975). Cultural Americanization over the Philippines’ ended up by assisting easier control of territory and it explains the future privileged relations between them.

The second stage of the Philippines’ and the US ties covers the period from 1946 to 1992. This period was recorded by considerations of security cooperation at the point that the Philippines’ became one of the closest US allies in Asia (McCoy, 2009). This scenario was yielded by the Philippines’ needed the US’ partnership to ensure its survival in the early years of its independence when it was in a chaotic situation and the US needed for Philippines’ partnership due to its strategic localization to assure a defensive perimeter running along the Pacific Rim from Japan to Australia (Constantion, 1975; McCoy, 2009). It led to many bilateral treaties with Manila in 1947 — the Military Assistance Agreement and the Military Bases Agreement—that granted twenty-three installations under a ninety-nine-year lease with unrestricted use for offensive operations and The Mutual Defense Treaty (MDT) signed in 1951. Washington reciprocated by providing Manila with $704 million in military equipment and training between 1946 and 1971 (McCoy, 2009). However, US bases remained operational until 1992 when negotiations broke down between Washington and Manila as a consequence of the Philippines’ Senate to narrowly vote down a treaty to renew the lease for US facilities (Albert, 2016).

The third stage starts in 1992 and, it is marked by multiple features in which focus on strengthening of relations between the Philippines’ and the US with the aim of balancing China. Despite the two countries still being allies, the commitment between them was dropping. On one hand, the US, after not necessary considerations of the Cold War, they did not attribute the same value to security alliance with Manila and it can explain a little bit the reduction of military presence in the Philippines’. This is not to say that the US lost all interest regarding security cooperation with Manila. In fact, they are still allies and their forces keep carrying out joint exercises. Washington provides support to Manila in facing insurgent groups and terrorist organizations like the Moro National Liberation Front and Abu Sayaff group and Jemaah Islamiyah, respectively, as well as to cope with humanitarian and natural disasters. During this period, Washington makes the Manila its ‘second front’ in the war on terrorism with a quite a substantial human, material, and technical assistance (Albert, 2016; McCoy, 2009). The military forces participated in annual ‘shoulder-to-shoulder’ exercises known as Balikatan that focus on training and capability enhancement for addressing crises or natural disasters (Greitens, 2016). However, China’s rise and territorial claims rewarmed the cooperation in the security area to face a common traditional adversary. To this extent, the US and the Philippines’ established a bilateral strategic dialogue in 2011, and in 2014, during President Obama’s visit to Manila, they signed a new Enhanced Defense Cooperation Agreement (EDCA) (Greitens, 2016). In fact, this represented a common understanding on the need to contain China’s rise and its territorial claims. However, this appears to not benefiting Philippines’ as it was planning until as to shown below.

Aware of the cost of employing whether balancing or accommodation strategy exclusively to manage its relationship with China, the Philippines appears to be taken benefits of both. Therefore, on one hand, China’s rise and territorial claims rewarmed the cooperation between the Philippines and the US in the security area to face a common traditional adversary. Because of that, Manila sought to increase its military capacity, but not enough to face China alone and it decides to pursue a strategy of alignment with the US to balance China (Greitens, 2016; Almase, 2017). Hence, Manila supported by the US decided to take the case of the disputed Spratly Islands to international arbitration. To Washington, China’s territorial assertions collides with its security and economic interest in the region. China’s demand over the SCS jeopardizes some American allies as the case of the Philippines’, and that region is located in the heart of the world’s trade routes in which American goods are transported beyond its strategic military importance (Bugayenko, 2016).

Nevertheless, after the arbitration ruling in favor of the Philippines, we are witnessing shift in the Philippines’ policy regarding China. To understand Philippine’s shift policy, we need to consider two connected factors. Firstly, the Philippines did not achieve its short-run goal by taking the case to the PCA against China over the disputed Spratly Islands. On the contrary, China has not acknowledged the jurisdiction of an international court to handle the territorial disputes, it has continued by militarizing and building a number of artificial islands since 2014 (Kreuzer, 2018). Moreover, in this regard, the Philippines did not find the expected US support to stop China from its activities in the SCS. For instance,
President Aquino, despite his pro-US policy, explicitly stated that the US must respond militarily if China moved to reclaim and militarize the shoal, in order to not damage the US prestige and affect the confidence from its allies (Greitens, 2016). The feeling of lack of support is strongly felt by Manila in the context of China’s rise. Besides, it should be remembered that in the post-arbitration period, diplomatic circles in the Philippines considered that Manila was entrapped by Washington into the arbitration, and the Washington was big beneficiary since tribunal declared seas there as international waters, which implies that the US fleet can navigate freely (Yilmaz and Liu, 2019).

Secondly, the Philippines are not satisfied with US interpretation on the Mutual Defense Treaty, signed in 1951. Throughout the Cold War, Manila sometimes expressed concern about the strength of the MDT, largely since the document—in contrast to the US treaty with Japan, for instance—promised consultation rather than automatic assistance; it requires only that in the case of an attack on the Philippines’, the US must ‘meet the common dangers in accordance with its constitutional processes.’ In fact, despite the Philippines’ being a US ally, it is not in the first line of US major allies as the North Atlantic Treaty Organization’s member (NATO). Since the period of occupation over the Philippines’, the US always showed reluctance of being pulled into the conflicts extraneous to current US commitments (Weston, 2009). This cautiousness from the US did not change throughout the time of cooperation with Manila and the cautious was materialized in the MDT. The US does not aim to be involved in conflicts because of the Philippines. The US fears that if had with the Philippines’ the same MDT like Japan, it could pull the US into a war (Smith, 2009). Furthermore, in the case of Philippines, any US movement needs to take into account a more powerful China that has developed a sophisticated anti-access/area-denial strategy made of missiles, submarines, aircraft, and electronic warfare devices and dedicated to preventing the US from projecting power in East and Southeast Asia. Moreover, the US faces budget constraints in the last years (Fattion, 2018).

These factors presented to justify Philippines’ shift policy match in the prevision of accommodation policy whether for security concerns to appease any tension with the powerful country and for economic advantages. This is to say the weaker state is more likely to accommodate with the threatening state in that balancing may be unwise insofar the one’s allies may not provide assistance quickly enough (Walt, 1987; Gunasekara, 2015). The Duterte’s Philippines does not see balancing policy exclusively as a suitable policy at least for short and medium run goals and he made public a new policy separated from the US (Almase, 2017). To this extent, the Philippines and China have warmed their relations recently (Wong, 2017). Duterte’s accommodation policy with China has significantly helped de-escalate maritime tensions and increase trade ties, but it has not halt in Chinese activities in the SCS. Here, it is important to note that the SCS dispute is not only between China and the Philippines’, but also among other claimants as mentioned above. So, the main expectation of the Philippines’ was to use and explore of resources in the SCS with China. However, there is no reached agreement amid them about this yet. In fact, the geopolitical situation in the region is almost same in terms of Philippines’ in that asymmetry remains in military and economic capabilities between Philippines’ and China, and later retains artificial islands in the EEZ of Philippines.

Ongoing Chinese activities in the SCS triggered the Filipino government to delay the termination of Visiting Forces Agreement (VFA) on June 2, 2020. To Philippines’, China has not softened its attitude in the SCS since Duterte announced the termination of VFA. China’s ongoing activities played a certain role in this new announcement of Duterte’s administration (Grosman, 2020). Additionally, some other factors like potential debt trap, environmental and security concerns associated with OBOR in Manila and so far, Philippines’ government inability to benefit from OBOR put Duterte’s efforts to realign with Beijing and distance from Washington into trouble (Grosman, 2020). In this framework, postponing VFA termination is significant, for it illustrates that it is unlikely that Manila completely separates from its security alliance with the US, and overreach on China in many aspects damages Philippine’s interests. This means that Philippines has felt insecure with ongoing Chinese activities in the SCS and therefore, has to keep the US engaged in the region. Moreover, Manila realized that overreach on China can eliminate Philippine’s leverage against China. On July 27, 2020, in his fifth state of the national address, Duterte stated that Beijing was already ‘in possession’ of the SCS. In his speech, he said that they have to ‘go to war’, but he cannot ‘afford it’ and cannot ‘do anything’ (Venzon, 2020). This statements show that in addition to some economic and trade benefits, accommodation with China has caused some huge costs for Manila because it is seen to have been weak-kneed in case of China’s activities, and statements demonstrate that not balancing left Philippine’s security dependent on the forbearance of an opponent. For this reason, as a theory, balancing and accommodation match perfectly to explain Philippine’s shifting policy in the post-arbitration period among the US-China-Philippines triangular.

4. Conclusion

In April 2012, a military standoff happening between China and Philippines’ brought the SCS dispute to international agenda. Then, Philippines’ administration appealed to the PCA with the reason of continental shelf, EEZ and China’s island development activities in January, 2013. By July 12, 2016, the PCA made a final decision in favor of the Philippines’ over the dispute. Yet, China neither accepts nor recognizes the tribunal’s ruling. Thus, though Aquino administration saw the ruling as a victory, it was not a gain for next President Duterte’s government because of immense costs economically. Even, it did not halt China from constructing artificial islands in the SCS. Further, Philippines did not get support diplomatically from the its ally, the US to bolster the decision against China. Philippine’s also was dissatisfied with the US interpretation on the MDT because it has an ambiguous statement ‘consultation’ rather than ‘automatic assistance’ in the event of Philippine’s is under attack.

Thereby, in July 2016, having come to power, President Duterte embarked on a new approach of bilateral relations with China. His accommodation policy brought some economic benefits to the Philippine’s in tourism, loans, FDI, export, trade, infrastructure and so on. This shifting policy came with economic, political, and security concerns, and
Philippine’s announced its separation from the US. The accommodation policy eased tensions between China and the Philippines over the SCS, but did not terminate them. Although the Philippines has gained some economic benefits, both side refrained from revealing a joint oil and gas exploration in the SCS. Moreover, China’s ongoing activities in the region led Philippines to realize that overreliance on China could constrain Philippines’ leverage power on China and leave Philippines on forbearance of China. That’s why Duterte announced the postpone of VFA termination on June 2020.

Overall, the new paradigm adopted by Manila under Duterte could represent the differences in leaders’ preferences, hence Philippines’ post-arbitration strategy demonstrates sober realism against China’s firm rejection of tribunals’ ruling. Duterte’s pragmatic approach is, as a Filipino analyst mentioned, ‘an equilateral balancing strategy’ (Gretiens, 2016). This means that while the Philippines’ balances China with the US, it balances the US with China. The article finds that although Manila and Beijing are strengthening their ties in many domains, the US and the Philippines are expected to remain allies in the near future. Consequently, we consider that Philippines’ policy of accommodation with China is just a complementary policy rather than an alternative approach because security concerns outweigh those of economics ones. This means that security comes first while economics comes second.

This way of approaching this topic is useful insofar as it enables to understand how Philippines is managing its ties with two powerful states which are in ongoing competition. Otherwise, taking Philippines’ policy of accommodation without considers the underlying balancing policy it might offer an amputated examination on the case. Yet, by following our approach the future researches on this topic can go beyond and examine more accurately the implications of Philippines’ response on the triangular relations among the Philippines-US-China.

We would like to end the research with two policy suggestions. For the Philippines’, it should implement more independent posture and harder balancing against China. As for China, China-Philippines’ relations do not amount of total foreign relations of Philippines’. Philippines’ could alter its China policy in time, so China must always remember that Philippines’ core strategy is a kind of balance of powers.

5. References

i. Albert, E. (2016) The U.S.-Philippines Defense Alliance. The U.S.-Philippines Defense Alliance - Council on Foreign Relations. Available from: http://www.cfr.org/philippines/us-philippines-defense-alliance/p38101 (accessed 10 July 2020).

ii. Almase, A. D. D. (2016). Diplomatic Engagement and Negotiated Agreement Between Philippines and China: A Constructive-Realist Approach in Post-Arbitration. International Conference on Defense Strategies and Regional Security. Bangkok, Thailand. pp. 1-22.

iii. A0, T. (31 July, 2019). Philippines Managing Its Relations with China Since July 2016. Available from: https://www.icwa.in/show.content.php?lang=1&level=3&lisd=4281&lid=2016 (accessed 10 July, 2020).

iv. Associated Press. (2019, June 12). South China Sea Collision Talk Threatens to Rock China-Philippines Relations. Available from: https://www.thediplomat.com/2019/06/south-china-sea-collision-talk-threatens-to-rock-china-philippines-relations/ (accessed 11 July, 2020).

v. Bugayenko, A. (2016) The South China Sea Crisis. Available from: HTTPS://iwep.kz/#/posts/5b39370bf84b15b1e4cc4300/#header (accessed 12 July, 2020).

vi. Buszynski, L. (2016). Law and Realpolitik: The Arbitral Tribunal’s Ruling and the South China Sea. Lee, S., Lee, H. E., and Bautista, L. (Ed) Asian Yearbook of International Law (121-140). Brill. Available: http://www.wjstor.com/stable/10.1163/j.ctvbsq7d3.10 (accessed 13 July, 2020).

vii. Carpio, J. A. T. The South China Sea Dispute [Pdf Document]. Web Site: Available from https://www.loc.gov/item/2017357527/ (accessed 12 July, 2020).

viii. Constantino, R. (1975) A History of the Philippines: From the Spanish colonization to the Second World War. Monthly Review Press. New York and London.

ix. Chubb, A. (2016). Did China just Clarify the nine-dash line? East Asia Forum. Available from: http://www.eastasiaforum.org (accessed 13 July, 2020).

x. Fatton, L. P. (2018)'Japan is back': Autonomy and balancing amidst an unstable China–U.S.–Japan triangle'. Asia & The Pacific Policy Studies. DOI: 10.1002/app5.240. 5:264-278.

xi. Fook, L. L. (2018). China-Philippine Relations and Xi Jinping’s State Visit: Context, Significance and Challenges. Yusof Ishak Institute. No. 81. pp. 1-9

xii. Greitens, S. C. (2016) the U.S.-Philippine Alliance in a Year of Transition: Challenges and Opportunities. Asian Alliances, Working Paper Series, Paper 5. Order from Chaos Foreign Policy in a Troubled World, pp. 1-8.

xiii. Grosman, D. (2020, June 18). China Just Botched a Monumental Opportunity with the Philippines. Available from: http://www.thediplomat.com/2020/06/china-just-botched-a-monumental-opportunity-with-the-philippines/ (accessed 13 July, 2020).

xiv. Gunasekara, S. N., Bandwagoning, Balancing, and Small States: A Case of Sri Lanka. Asian Social Science; Vol. 11, No. 28; 2015, pp. 212-220.

xv. Ikenberry, John (2004) American Hegemony and East Asia Order. Australian Journal of International Affairs, Vol. 58, No. 3, pp. 353–367.

xvi. Joyner, C. C. (1999). The Spratlys Islands Dispute in the South China Sea: Problems, Policies and Prospects for Diplomatic Accommodation. Stimson Center, pp. 53-109. Available from: http://www.jstor.com/stable/resrep10935.8 (accessed 13 July, 2020).
xvii. Kreuzer, P. (2018). Dealing With China in the South China Sea: Duterte's Changing Course. Peace Research Institute Frankfurt, 3. Available from: http://www.prif.org (accessed 14 July, 2020).

xviii. Lee Seunghyok and Paik Wooyeal (2018) Is South Korea Leaning Toward China? Questioning the Contemporary Application of the Japanese Narrative about the Historical Korean Peninsula–China Linkage. Pacific Focus, pp.237-259.

xix. Levick, Laura and Andreas Schulz, Carsten (2020) Soft Balancing, Binding or Bandwagoning? Understanding Institutional Responses to Power Disparities in the Americas. Canadian Journal of Political Science, pp. 1–19. doi:10.1017/S0008423920000220

xx. Lintao, R. B. (2018). Investigating the Evaluative Language in Philippine and Chinese News Reports on the South China Sea Disputes. Advances in Language and Literary Studies, 9, pp. 66-77.

xxi. Ma, X. (2017). China-Philippines Relations and the South China Sea Situation. US-China Forum, Vol. 196. Available from: http://www.us-chinaforum.org/ (accessed 17 July 2020).

xxii. Mandelbaum, M. (2008). The Nuclear Revolution. England. Cambridge University Press.

xxiii. Mares, D. R. (1998). Middle Powers Under Regional Hegemony: To Challenge or Acquiesce in Hegemonic Enforcement. International Studies Quarterly, Vol, 32, No.4. pp. 453-471.

xxiv. McCoy, A. W., and Sutton, A. R., and, Thongchai, W. (2009) Policing America’s Empire: The United States, the Philippines, and the Rise of the Surveillance State. The University of Wisconsin Press.

xxv. Mearsheimer, John J. (2001) The origin of Alliances Politics. Ithaca: Cornell University Press.

xxvi. Smith, P. J. (2009) China-Japan Relations and the Future Geopolitics of East Asia, Heldref Publications.

xxvii. Sorokin, G. L. (1994). Alliance Formation and General Deterrence: A Game-Theoretic Model and the Case of Israel. The Journal of Conflict Resolution, 38 (2), pp. 298-325.

xxviii. The Standing Committee of the Ninth National People’s Congress. (1998). Law on the Exclusive Economic Zone and the Continental Shelf Act. Order No. 6 of the President of the People’s Republic of China. Available from https://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/chn_1998_eez_act.pdf (accessed 15 July, 2020).

xxix. Velasco, M. A. M. (2014). Philippines – China Relations: The Case of the South China Sea (Spratly Islands) Claims. Asia Pacific Journal of Multidisciplinary Research, P-ISSN 2350-7756. E-ISSSN 2350-8442. Vol. 2, pp. 78-85.

xxx. Venzon, C. (2020, July 27). Duterte Says Beijing is in possession of South China Sea’. Available from: https://asia.nikkei.com/Politics/International-relations/South-China-Sea/Duterte-says-Beijing-is-in-possession-of-South-China-Sea (accessed 30 July, 2020).

xxxi. Vicedo, C. (2020, May 18). Assessing China’s Assertiveness at Commodore Reef. Available from: https://www.thediplomat.com/2020/05/assessing-chinas-assertiveness-at-commodore-reef/ (accessed 12 July, 2020).

xxi. Yilmaz, S. and Liu, Fu-Kuo. (2019). The Evolving Geopolitical Landscape in the Post-Arbitration South China Sea. Inha Journal of International Studies, 3, pp. 317-344.

xxiii. Waltz, K. N. (1979). The Theory of International Politics. United States of America. Addison-Wesley Publishing Company.

xxiv. Weston, S. (2009). Liberal, Imperial, and Economic Motivation of U.S. Foreign Policy in the Philippines 1898-1946. Center for Contemporary Conflicts.

xv. Wong, A. C. (2017). The Philippines’ Relations with China: A Pragmatic Perspective Under President Duterte. Torino World Affairs Institute. Available from: https://www.twai.it/wp-content/uploads/2017/12/T.note51.pdf (access 17 July 2020).

xvi. Wong, A. C. (2014, July). Philippines-China Relations: Beyond the Territorial Disputes. Center for International Relations & Strategic Studies. Vol. 1, No.3