

THE PHILIPPINES' RELATIONS WITH CHINA: A PRAGMATIC PERSPECTIVE UNDER PRESIDENT DUTERTE

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The Philippines' relations with China have recently experienced turbulence, with the occurrence of various controversies and disputes. The issues behind development projects have cast doubts on the integrity of Chinese investments and revealed the venality of Philippine institutions. Moreover, the fiery and contentious maritime row between the two countries has led to the deterioration of bilateral ties. These long-standing hostilities have brought diplomatic relations to their lowest point since they were established in June 1975.

However, with the current administration of President Rodrigo Duterte, bilateral relations have taken a dramatic turn – from a hostile mood to a more amiable outlook. In his state visit to China in October 2016, Duterte declared the Philippines' "realignment" with China, after five years without any high-level exchanges between the two governments. Departing from his predecessor's uncompromising stance, Duterte opted to downplay security issues in favour of reviving political relations and pursuing economic ties with China.

During the administration of President Benigno Aquino III (2011–2016), bilateral relations were dominated by maritime disputes. Since 2012, China has seized and taken effective control of Scarborough Shoal, which is situated within the Philippines' Exclusive Economic Zone (EEZ). The situation has been further aggravated by unlawful establishment of infrastructures in the area and an illegal ban on Filipino fishermen's access to its fishing grounds. Bilateral ties took a downturn when the Aquino administration filed an arbitration case against China in 2013, under the International Tribunal for the Law of the Sea (ITLOS). In 2016, the UN Arbitral Tribunal decided that "the Philippines has exclusive sovereign rights over the West Philippine Sea (part of the South China Sea) and that China's 'nine-dash line' based on its historic rights is invalid".

Given its political and security issues, the Philippines has faced difficulties in its economic relations with China. At the height of the territorial disputes, it faced stricter implementation of trade rules and commercial regulations by Chinese authorities. This was evident when China imposed stringent food and safety standards and requirements in 2012 that led to the ban on banana imports from the Philippines. The ban was enforced after Chinese

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President Xi Jinping and President Rodrigo Duterte during a bilateral meeting in Vietnam on November 11, 2017.
(Source: Malacañang photo)



quarantine officials discovered mealybugs in several containers of bananas shipped to China. The decision was widely seen as China's reprisal against the Philippines at the height of the disputes in Scarborough Shoal.

However, since assuming the presidency Duterte has adopted a more amiable style of engagement with China. His accommodating approach has been rewarded by various pledges of loans and investments that would fund infrastructure development projects in the Philippines. And most importantly, Filipino fishermen have returned to their normal fishing activities, although still under watch by the Chinese Coast Guard.

This is especially important given the past controversies regarding Chinese-funded projects in the country. The North Rail and National Broadband Network were among the projects in the Philippines that were cancelled due to allegations of corruption and irregularities. Such controversies produced national embarrassment for the Philippines and created a negative image for China. But with the Philippines' membership in the China-led Asian Infrastructure Investment Bank (AIIB) and its participation in the Belt and Road Initiative (BRI), the country is expected to have more constructive economic engagement with China. In fact, China remained the Philippines' biggest source of imports, with a 20.8 percent share, in January 2017, with payments recorded at \$1,552 billion. This reflected an increase of 26.4 percent from \$1,228 billion in January 2016. Meanwhile, revenues from the Philippines' exports to China reached \$501.2 million, generating a total bilateral trade value of \$2,053 billion. For the Philippines, these active bilateral trade and recent regional developments will benefit benefit its domestic economy while improving diplomatic relations. For China, such initiatives will further elevate its economic influence in the region while neutralizing its image of bellicosity in asserting its maritime claims.

The Philippines also gained positive momentum in renewing political and security ties with China. Despite the favourable arbitration ruling, because of its weak naval capabilities the Philippines cannot enforce its maritime rights and challenge the Chinese Coast Guard barricading in the Scarborough Shoal. It was not until Duterte's state visit to China that Filipino fishermen were able to return to the area and resume their fishing activities after four years of Chinese prohibition. Moreover, high-level bilateral dialogue regarding maritime disputes has resumed following Duterte's participation in the BRI Summit in Beijing last May.

The warming up of bilateral ties after years of frosty relations can be attributed to Duterte's pragmatic policy. Evidently, he departed from the Aquino administration's defiance against Chinese assertiveness in the West Philippine Sea. And instead, Duterte opted to cooperate with China in managing tensions in the area by not taking any military action after the court's ruling, while amassing various economic concessions in the process. He considered that focusing more on the trade and economic aspects of the Philippines' relations

with China would ultimately benefit the Filipino people more than insisting on national maritime claims that it cannot impose. This may appear to be a very opportunistic economic tactic, and it may almost seem that the Philippines is forsaking its maritime security; but Duterte's foreign policy adjustments have a logical basis that reflects his calculating and business-like approach.

Moreover, the Duterte administration highlights an "independent foreign policy" that seeks to move the Philippines away from its dependence on the United States. While the United States is its long-standing ally, the Philippines under Duterte is pushing to deepen relations with other, equally important partners such as Japan. It also seeks to strengthen relations with non-democratic countries that hold divergent political values, such as Russia. Although the Philippines is a long-standing democracy, its increasing interaction with Russia reflects Duterte's pragmatic foreign policy and accommodating posture, which emphasizes concrete bilateral dealings rather than ideological engagements. The Philippines also strives to steer clear of big power rivalries and seeks to cooperate with various countries that will potentially bring in economic benefits, regardless of any looming political issues.

While the Chinese government has welcomed this positive breakthrough in bilateral relations, public opinion in the Philippines is divided on whether or not this was a sound move by the Duterte administration.

But the general perception is that Duterte's accommodating policy towards China has temporarily de-escalated maritime tensions and enhanced trade ties. As a small power, the Philippines considers this a welcome step towards a more peaceful neighbourhood for its economic development.

In the long term, it is imperative that the Philippines be accommodating yet vigilant in its relations with China under its still-ambiguous, yet-to-be-operationalized "independent foreign policy". Given the shift in its foreign policy, the challenge for the Philippines under Duterte is to be consistently cautious in its policy implementation. Foreign policy must be supervised by established institutions in order to put a check on decisions based on personal impulses, which have been the trademark of the Duterte administration so far.

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