

# Duterte's Evolving South China Sea Policy

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**Synopsis:** *Philippine policy on the South China Sea under Duterte is clearly still evolving, and efforts to seek a correct balance between a principled nationalist stand and more pragmatic objectives are bound to encounter many tests.*

## **Presidential prerogative**

President Rodrigo Duterte of the Philippines has been criticized by some quarters as flip flopping with his foreign policy, particularly on how to manage the territorial and maritime disputes with China in the South China Sea.<sup>1</sup> This is causing confusion even among his domestic public, his country's traditional allies, ASEAN neighbors, and – one can safely presume – China.

The decisions to de-emphasize Manila's legal victory from the UNCLOS arbitration and instead focus on improving bilateral economic relations with China, while scaling down defense cooperation with the US, are elements of the new "independent foreign policy" that Duterte prefers.<sup>2</sup> Some observers consider this as a 180-degree turn that is harmful to, if not a betrayal of, Philippine interests, in the wake of China's over-zealous efforts to challenge Philippine claims and its recent fortification of islands with airstrips and other facilities for potential military use. Others, however, would argue it to be merely corrective of the previous administration's unbridled antagonism against China and unrealistic reliance on the US, as well as a pragmatic way to normalize ties with the rising power that China is.

Duterte's accommodation of China's interests in the South China Sea has been evident in his statements and actions: acceding to China's preference for bilateral consultations (the first of which was held in May 2017 in Guiyang)<sup>3</sup>; not demanding compliance with the arbitration ruling (for now, he says)<sup>4</sup>; downplaying reference to the reclamation and militarization activities in ASEAN statements<sup>5</sup>; agreeing to resume talks on joint development of oil and gas resources<sup>6</sup>; declining to undertake joint patrols with the US in the South China Sea as Aquino had earlier agreed to<sup>7</sup>; and not filing formal diplomatic protests against new Chinese activity within the Philippines' claimed areas<sup>8</sup>. He has also allowed cooperation between the Coast Guards of the two countries, and accepted a modest level of Chinese military support.<sup>9</sup>

This policy shift is being justified on several grounds, both short-term and strategic. Among the short-term goals are to attract Chinese investments and

assistance (Manila secured \$24 billion worth of deals during his October 2016 state visit alone), to restore normal fishing activities for those displaced by China's occupation of Scarborough Shoal, and to hasten energy exploration in the disputed Reed Bank due to the near exhaustion of existing sources. More strategic considerations involve the desire to preclude armed conflict with China given the Armed Forces of the Philippines' relative weakness in the face of multiple internal and external threats, as well as the lack of credible assurances of support from its US ally.

History will be the judge of whether Duterte's "China shift" will promote or undermine overall Philippine interests, but for now, tensions between the two countries have subsided and all-around cooperation is growing. The challenge the Philippines must successfully hurdle as a weak state is how to simultaneously neutralize China's encroachments on its maritime entitlements while promoting a cooperative and beneficial economic relationship with China. At the regional level, the Philippines also shares with other states the goal of establishing a peaceful, prosperous, and rules-based order in the South China Sea that is free from coercion and threat.

With respect to the latter, the Duterte administration can make a difference, but only if it chooses to do so when the window of opportunity presents itself. Its highly institutionalized links with the United States (especially military-to-military), last year's chairmanship of ASEAN, and successful reconciliation process with China provided advantageous conditions for the Philippines to help push forward conflict management efforts in the South China Sea. Some would argue that whatever moral high ground and political capital it enjoys arising from the recent arbitral tribunal victory, could also be leveraged to open up new compromise possibilities among the major parties. But it appears that the Duterte government is unwilling and unprepared to do so.

### **No comprehensive strategy, only countervailing influences**

Those who expect the Duterte government to have a clear and comprehensive long-term strategy towards China at this time should be careful what yardstick they use, because it seems that no country in the neighborhood – bar none – pretends to have one, given today's fluid geopolitical and economic conditions. Many believe strategic conflict between China and the US to be a question of WHEN and HOW, and no longer a question of IF. Xi Jinping, with a fresh mandate to lead China in the next 5 years, has pledged to continue defense modernization and to pursue a "holistic approach to national security". Whether this will ultimately be a peaceful approach is not guaranteed. Under a Trump presidency, whether the US will actively commit itself to help manage the intractable security challenges in the South China Sea increasingly seems unlikely. Under this kind of uncertainty, many countries can do little more than muddle through. Some, like Japan under Abe, are being pro-active in an understandably self-help mode. Others, like the Philippines under Duterte, are venturing out of longstanding comfort zones to try new approaches, but can only take things one step at a time.

However, even without a comprehensive strategy in the South China Sea, it appears that countervailing influences are working towards a more balanced and

less China-leaning approach by the Duterte government. Competing goals, bureaucratic interests, expectations from the domestic public as well as from external partners, recent interactions and changes in the behavior of major protagonists all contribute to reshaping this policy.

Belying newfound trust in China that the Duterte government likes to stress, the Philippine armed forces remain committed to building maritime and air defense capabilities.<sup>10</sup> Even Duterte who initially did not see the need for strengthening military capabilities now supports this.<sup>11</sup> Joint exercises and other forms of defense and security cooperation with the US are back on track, albeit directed to other convergent goals such as counter-terrorism or the war on drugs.<sup>12</sup>

Duterte's early cordial encounters with Donald Trump<sup>13</sup>, reports of fresh Chinese activity in the vicinity of Pag-asa (Thitu) Island in recent months<sup>14</sup>, and quite fortuitously US assistance during the siege of Marawi by the "ISIS-inspired" Maute gang<sup>15</sup>, may have mellowed Duterte's opposition to defense cooperation with the United States. Despite earlier statements to the contrary, the Philippines-US Mutual Defense Treaty, the Visiting Forces Agreement, the Enhanced Defense Cooperation Agreement and Balikatan exercises (however downplayed) remain in place.

Moreover, while Philippines-US relations may be going through a rough patch, Duterte warmly embraces America's closest Asian ally – Japan. Cooperation with Japan for capability building of the Philippine Coast Guard has intensified, involving the transfer of patrol vessels and – for the first time – of training aircraft from Japan's Maritime Self-Defense Force.<sup>16</sup> The acquisition of frigates from Japan is likewise on the table. Japanese PM Shinzo Abe and Duterte have already met several times. In June 2017, Duterte even toured Japan's biggest warship Izumo when it docked at Subic Bay, although it must be noted that he had also toured a Chinese naval vessel that had docked in Davao's Sasa Wharf a month before.

Public opinion is also a countervailing force, especially for a populist leader such as Duterte. One survey<sup>17</sup> in March 2017 indicated that 8 out of 10 Filipinos<sup>18</sup> wanted the government to assert its rights in the South China Sea; and 63% of Filipinos polled said they distrusted China. Apparently, while the president himself remains popular, his policy stance on China and the South China Sea is not necessarily so. This conveys to the president that his China shift must demonstrate gains sooner rather than later, if he expects to maintain high levels of popular support.

### **Searching for the right formula**

From these indications, Philippine policy on the South China Sea under Duterte is clearly still evolving, and efforts to seek a correct balance between a principled nationalist stand and more pragmatic objectives are bound to encounter many tests. The most obvious determinant will be the behavior of China itself – whether it persists in militarization and becomes even more aggressive with its maritime claims, or it chooses to be bound by agreed-upon international rules and norms. A second important factor will be whether or not other countries – singly or collectively, through alliances, through new minilateral formations

and/or through existing multilateral cooperative security platforms - can find a common will and voice to convey to China concerns that can no longer be ignored. A third factor – time-tested in the Philippine case – is domestic political developments that may either strengthen or erode the legitimacy of the current leadership. Finally, in the spirit of the times we must mention the proverbial black swan - an event or circumstance which we cannot foresee but which can have extreme consequences nonetheless to our calculations.

In the meantime, to address the different concerns of both domestic and external audiences, now heavily polarized on the question of how to deal with China in the South China Sea, the Philippine Department of Foreign Affairs can only provide these assurances:

"The Duterte administration reaffirms its unwavering commitment to protect our country's territorial claims and maritime entitlements, but believes that the ongoing dispute should further be resolved in a manner consistent with the spirit of good neighborly relations."

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## Notes

<sup>1</sup> Max Boot, "Duterte's Flip-Flop Into Bed With China Is a Disaster for the United States," *Foreign Policy*, October 20, 2016, at <http://foreignpolicy.com/2016/10/20/rodrigo-dutertes-flip-flop-into-bed-with-china-is-a-disaster-for-the-united-states-south-china-sea/>.

<sup>2</sup> "Philippines' Duterte reveals no 'taunt or flaunt' China policy," *AsiaOne*, June 30, 2016, at <http://www.asiaone.com/asia/philippines-duterte-reveals-no-taunt-or-flaunt-china-policy>.

<sup>3</sup> "Joint press release for the first meeting of the philippines-china bilateral consultation mechanism on the South China Sea," Philippine Department of Foreign Affairs website, at <https://dfa.gov.ph/dfa-releases/12694-joint-press-release-for-the-first-meeting-of-the-philippines-china-bilateral-consultation-mechanism-on-the-south-china-sea>.

<sup>4</sup> "Duterte says he'll set aside South China Sea feud ruling against Beijing," *South China Morning Post*, December 17, 2016, at <http://www.scmp.com/news/asia/southeast-asia/article/2055433/duterte-says-hell-set-aside-south-china-sea-feud-ruling>.

<sup>5</sup> "ASEAN alters final statement amid China pressure," *GMA Network*, April 30, 2017, at <https://www.gmanetwork.com/news/news/nation/608904/asean-alters-final-statement-amid-china-pressure/story/>.

<sup>6</sup> Pia Ranada, "Duterte: PH, China to do joint exploration in West PH Sea," *Rappler*, July 24, 2017, at <https://www.rappler.com/nation/176605-duterte-philippines-china-joint-exploration-west-philippine-sea>.

<sup>7</sup> "Philippines, US hold joint patrol in dangerous waters," *Daily Mail*, July 1, 2017, at <http://www.dailymail.co.uk/wires/afp/article-4657176/Philippines-US-hold-joint-patrol-dangerous-waters.html>.

<sup>8</sup> Petero Esmaguél II, "Cayetano downplays reported China ships near Pag-asa Island," *Rappler*, August 16, at <https://www.rappler.com/nation/178944-cayetano-china-ships-pagasa-island-sandbar>.

<sup>9</sup> Jaime Pilapil, "Philippines, China vow maritime cooperation," *Manila Times*, February 28, 2017, at <http://www.manilatimes.net/philippines-china-vow-maritime-cooperation/314654/>.

<sup>10</sup> Leile B. Salaverria, "Duterte: I trust China won't build on shoal," March 24, 2017, at <http://globalnation.inquirer.net/153837/duterte-trust-china-wont-build-shoal>.

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<sup>11</sup> Genalyn D. Kabling, "Duterte promises AFP modern aircraft, vessels, and equipment," *Manila Bulletin*, March 13, 2017, at <https://news.mb.com.ph/2017/03/13/duterte-promises-afp-modern-aircraft-vessels-and-equipment/>.

<sup>12</sup> Alexis Romero, "Philippines -US defense ties to focus on terrorism, drugs," *PhilStar*, November 19, 2016, at <http://www.philstar.com:8080/headlines/2016/11/19/1645218/philippines-us-defense-ties-focus-terrorism-drugs>.

<sup>13</sup> Jim Gomez, "Trump calls Philippine President Duterte to affirm 'warm working relationship'," *The Star*, April 30, 2017, at <https://www.thestar.com/news/world/2017/04/30/trump-calls-philippine-president-duterte-to-affirm-warm-working-relationship.html>.

<sup>14</sup> Bea Cupin, "Chinese ships spotted near Pag-asa Island sandbars, says Alejano," *Rappler*, October 3, 2017, at <https://www.rappler.com/nation/184171-alejano-chinese-ships-west-philippine-sea>.

<sup>15</sup> "Duterte 'has accepted' need for US assistance in Marawi: Abella," *ABS-CBN News*, June 20, 2017, at <http://news.abs-cbn.com/news/06/20/17/duterte-has-accepted-need-for-us-assistance-in-marawi-abella>.

<sup>16</sup> "Duterte, Abe agree to enhance maritime, security cooperation," *Philippine Canadian Inquirer*, January 12, 2017, at <http://www.canadianinquirer.net/2017/01/12/duterte-abe-agree-to-enhance-maritime-security-cooperation/>.

<sup>17</sup> AJ Bolando, "Distrust of China increases in latest Pulse Asia poll," *PhilStar*, May 2, 2017, at <http://www.philstar.com/headlines/2017/05/02/1696007/distrust-china-increases-latest-pulse-asia-poll>.

<sup>18</sup> Kristine Angeli Sabillo, "8 in 10 Filipinos want PH to assert rights in South China Sea—Pulse Asia," *Inquirer*, January 27, 2017, at <https://globalnation.inquirer.net/152106/8-10-filipinos-want-ph-assert-rights-south-china-sea-pulse-asia>