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THE MASTER CHESS PLAYERS IN THE ASIA-PACIFIC: CHINA-US-PHILIPPINES RELATIONS



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LIST OF ABBREVIATIONS

AIIB	Asian Infrastructure Investment Bank
ASEAN	Association of Southeast Asian Nations
BPO	Business Process Outsourcing Industry
CCP	Chinese Communist Party
EDCA	Enhanced Defense Cooperation Agreement
EEZ	Exclusive Economic Zone
FTAAP	Free Trade Area of the Asia-Pacific
G2	Group of Two
GNP	Gross National Product
ISR	Information, Surveillance and Reconnaissance
OBOR	One Belt One Road
PTT	Power Transition Theory
RECP	Regional Comprehensive Economic Partnership
TPP	Trans-Pacific Partnership
UNCLOS	United Nations Conference on the Law of the Sea
WWII	World War II

ABSTRACT

This thesis explores the Philippines' political maneuver in the dynamic setting of the Asia-Pacific region. The purpose of this thesis is to examine the Philippines' new foreign policy shift and its impact on the relationship with China and the US. Considering the geographic proximity and multilateral bonds in the region, the research also aims to outline the aspects which intertwine the three states together and seeks to investigate how the Philippine foreign policy is being influenced by its historical alliance with the US and its new economic engagement with China. The significance of this analysis lies in understanding and speculating the risks of the Philippines' strategic move and the alteration of power balance in the geopolitical context. Realism and the power transition theory in contrast with Buzan's nuanced theory have been used to enhance the discourse on the Philippines-US-China relationship. Firstly applied to the Sino-American relations, on one hand, the theories displayed that China and the US are conflicting to one another due to lack of trust and overlapping interests and, on the other, highlighted that both states have taken up the challenge to maintain a cooperative relationship. Then, a more oriented realist approach has been chosen to illustrate the case of the Philippines and, in particular, to justify President Duterte's willingness to maintain a foreign policy based on the primary interests of the state by receiving benefits from both countries. Further remarks were made upon the implications of Manila's new political strategy which indicate that the Philippines' vague stance on several fronts in the regional scenario will be hardly accepted by Beijing and Washington in the long term.

CHAPTER 1

INTRODUCTION

This MSc thesis is based on a deep insight of the political schemes that characterize the South China Sea and embroil China, the Philippines and the US. This study also raises the Scarborough Shoal conundrum which drags in both China and the Philippines and mire them in an impasse upon sovereignty over the atoll on a historical and legal basis. Besides the two nations, this disputed feature also involves the United States as Philippine ally, which will be investigated and described as obliged to abide by the principle of neutrality¹ over territorial contentions and invoked to intervene for defense of territories under the jurisdiction of the Philippines. The challenges that ripple the geopolitical setting, in which the three nations are embroiled, will depict a focal point in the analysis which will then seek to analyze the Philippines' response to China and the US' continuing dominance in the regional security order.

With respect to the thesis structure, the methodology chapter will illustrate different types of sources that have been consulted to draft this study and the methods that have been used to interpret the selected data. This chapter will also try to outline the content and purpose of each chapter by answering the main problem formulation and sub-questions. In the last part, limitations arose along the draft of this thesis will be enunciated by spotlighting the holes of the study. The chapter that follows methodology will encompass new China status which is embracing a sense of 'community of common destiny' and entails the implementation of a wide range of strategies in order to expand its power, security and economy across the region. Here, the chapter will also highlight the role of the US which, in turn, maintains a biased stance in the Asia-Pacific and does not hint at restraining its leading role. Furthermore, the American response to counterbalance Chinese expansion will be examined by looking at the political initiatives promoted by the US government while setting the timeframe from Xi Jinping's assignment to nowadays. In the last part of such chapter, the analysis will describe the economic-security nexus and clashes that occurred between the two

¹ The Republic of the Philippines and the United States of America signed the Mutual Defense Treaty on August 30, 1951 (Albert, 2016).

countries in order to point out the contradictions that might emerge. Further on, the quarrel set in the South China Sea regarding the Scarborough Shoal will be also illustrated by presenting the geo-historical perspective and legal records of the standoff. The last observations will be dedicated to Manila's maneuver to face the evolving regional status caused by the influence of Beijing and Washington.

Last but not least, this study is based on the following problem formulation and two sub-questions:

- Why Duterte's current stance in foreign policy might alter the geopolitical balance between China and the US in the Asia-Pacific?
 - a) What are the steps taken by China and the US to advance in the regional security order?
 - b) Why is Scarborough Shoal claimed by China and the Philippines?

CHAPTER 2

METHODOLOGY

This chapter will define the methods that have been used along the draft of this study. As a first step, different research tools will be described to provide a homogeneous structure of the project which will be divided into chapters, whose purposes will be further illustrated. As a final remark, this chapter will illustrate the limitations that have hindered the research and the draft of this analysis.

2.1 Type of Research

2.1.1 Theories

In this project, two different categories of IR theories have been applied to the case which are offensive realism and power transition theory, and Buzan's theory on "China as a peaceful rise". Both groups of theories have been significant to this study from different angles. In the study of Sino-American relations, these theories have been used to describe, on one hand, the incongruence of a coexistence between a rising power and a regional hegemony and, on the other, the possibility for a growing power to gain influence in relation to existing powers. The decision to apply these theories in different ways derives from the interpretation of the Sino-American relations in the context of the South China Sea and their interplay with the Philippines. Looking at Duterte's actions regionally, Manila's case seems to well fit within the realist prism of international affairs in the face of its foreign policy shift, even though different perspectives on unclear strategic calculations could be also drawn. Indeed, the Philippines' intentions to engage more actively with China in terms of economic investments without switching sides leave a room for an open debate to discuss what might transpire in Manila's future. However, the understanding of Philippine shift cannot be holistic unless a combination of different theories is provided due to the absence of an approach that sketches out the case completely.

2.1.2 Qualitative Approach and Case Analysis

This project is mainly based on qualitative research methods and takes into account a specific case study. This type of research is accomplished by the interpretation and

contextualization of sources, with no exclusion of subjective contributions (De Vaus, 2001). To give a more holistic overview of the research methods, it is necessary to divide between qualitative and quantitative approaches. Thus, according to Susan Wyse (2011) “[q]ualitative research is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions, and motivations. It provides insights into the problem or helps to develop ideas or hypotheses for potential quantitative research” (Wyse 2011, para. 3) and “quantitative research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviors, and other defined variables” (Wyse 2011, para. 4). The advantages related to the use of the qualitative approach regard the range of opinions that can be deducted, interpreted and applied to the specific research context giving a detailed analysis of it. On the other hand, the disadvantages reflect the possibility of subjectively interpret the data collected as it remains mostly based on the researcher’s skills.

As regards the case study, the Philippines was chosen in relation to its crucial interplay with China and the US. A case study, according to Yin (2009), “is an empirical inquiry that: Investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin 2009, 18). In the wake of this claim, a case study is perceived as a fundamental piece of the puzzle in order to enrich the analysis and provide a better understanding of the current issues in the South China Sea. Given several factors, the Philippines embodies a relevant and peculiar case study for this analysis that witnesses the presence of both China and the US around its archipelago. In the light of the Philippines’ regional setting and its key role in the area, it is essential to study how these three states interact in the South China Sea which is home to oil, natural gas, rich marine flora and fauna, and where 30% of the world’s shipping trade flows.

2.1.3 Sources

All the consulted information is mainly collected among secondary data found in publications, literature and via Internet. Concerning the theoretical framework, primary sources have been used for both groups of theories. Both primary and secondary sources are books and articles consulted from the Aalborg University library online, the Nordic Institute of Asian Studies in Copenhagen, and found via Google, JSTOR, and

Academia. The initial part of the study has been developed through an accurate and detailed research in order to collect the necessary sources related to, firstly, China and the US political agenda and, then, their relationship. The part of the analysis focuses on the sources selected according to the linkage with disputes in the South China Sea and, in particular, the Philippines; official documents and reports, such as the White Paper, the 19th National Congress of the Communist Party Congress, the United Nations Convention of Law of Sea and so on, have been also used to base the study on accurate, official and legal documents. The collected data has been critically used and interpreted for the purposes of providing an impartial analysis of Manila's stance in relation to China and the US. The necessity of writing a project based on unbiased facts and reliable data has urged the study to include the consultation of different sources, such as current-affairs magazine on the Asia-Pacific with news and analysis on politics, security and business across the region. However, direct interviews and surveys have not been considered along the draft due to contacts' deficiency and struggle with reaching out to the representatives of the three administrations (China, the US and the Philippines).

2.2 Research Structure

2.2.1 Research Approach

Starting from the theories to the main discourse, the type of approach used in this study is deductive. In other words, the method moves from the broad to the detail (De Vaus, 2001). This approach was preferred to the inductive one, because the strategy that the Philippines is trying to apply in order to handle the pressure from China and the US requires a first general context on the Sino-American relations. The importance of providing an overview on Chinese and American foreign policy is to set out how their mutual relationship can oscillate from containment to engagement and how their conflict of interests can influence their approach to other countries like the Philippines.

2.2.2 Purposes

To begin with, the third chapter aims at presenting a political excursus of Beijing and Washington's strategies in terms of political reforms and diplomatic initiatives to reduce the gap among them and foster a more cooperative relationship. The chapter

starts with a description of Chinese policies implemented by President Xi Jinping, including “New Type of Major Power Relations” and “Community of Common Destiny”, to promote a new model of cooperation and commit the nation to no conflict, mutual respect, mutually beneficial cooperation and resolution of conflict. In response to these initiatives, Obama’s first visit to China became significant to disclose the US’ security strategies which envisages “rebalance to Asia-Pacific” and revision of the US’ diplomatic priorities. After a disclosure of both security and political strategies, IR theories will be described and applied to the topic in order to understand whether peace is likely to last between the rising power and the existing hegemony.

The fourth chapter is divided in different sessions and serves the purpose of the case study. The first part reveals the reasons of tension in the region and presents the main stakeholders that emerge in the hotspots of the South China Sea. After providing a historical context of the territorial disputes, the case of the Philippines and its relations with China and the US will be further illustrated to highlight the role of Manila between two fires; an example of land reclamation will also follow the discourse before moving to the discussion upon the Philippines’ foreign policy shift to China.

2.3 Research Limitations

The main limitation faced during this research was time constraints. The case of the Philippines, especially framed in the context of the South China Sea, remains a broad area that needs a deeper research and longer time to be fully analyzed. Other limitations partly concern the lack of data, especially official documents, that influenced the draft of this study which, perhaps, could have been developed more. In addition, the release of official documents from Manila’s administration in relation to the new current strategy initiated by President Duterte in 2016 is hard to find, which, however, may spread misinformation about what is really happening in the country and what are the prospects of Manila’s foreign policy.

CHAPTER 3

REGIONAL RACE

The nature of the Asia-Pacific has always been shaped by animosities and ties exhibited by states across the region. The array of incentives for cooperation has consequently been increasing or decreasing according to historical, political, military, economic, social, demographic and cultural factors that have played a major role in the regional stability. Indeed, differences in setting political systems, military basis used to affirm and offset states' domain, economic competition to gain monopoly of the regional market and historical rivalries dating from imperialism, World War II and Cold War constitute a set of major obstacles that undermined the establishment of multilateral security alliances in the region. An example of regional insecurity can be found in the South China Sea, where the regional political dialogue and architecture of security have been challenged by animosities among neighboring countries. In the surrounding waters, the concept of sovereignty and freedom of navigation has been highly discussed by different stakeholders with overlapping claims. In a geographic area where the balance of power will rest upon a combination of several countries, China and the US have certainly influenced the development of power dynamics and primarily dominated the regional scene. They are both regional players impacting on the balance of the South China Sea which, in turn, seems to drag both powers in the search for peace and stability in the surrounding waters.

The discourse will start with Chinese policies implemented by President Xi Jinping to promote a 'New Era' through multilateral and moderate policies towards the Asia-Pacific. Then, in response to this initiative, the US approach will be also investigated in order to disclose the relative secured strategies to offset the Chinese domain in the region. In the last part, a theoretical analysis of both states' policy on the regional security matter will follow to assess the potential for China and the US to either clash or live in harmony.

3.1 Chinese Policy

Since Xi Jinping took office, China has seemed to embark on a new extraordinary journey. The country has grown by leaps and bounds and now stands as the world's second largest economy. A drastic shift from Deng Xiaoping's political ideology to a

more revolutionary was indeed no long in coming. President Xi has, in fact, rejected the former President's low-profile policy and backed assertive political tactics while striving for global achievements. Xi Jinping pursued an unconventional path and based his ideological strategy on the growth of China's confidence internationally and the underpinning of banner terms to widen his policy implementation. (Mardell, 2017).

Changes in the regional security environment have encouraged China to cope with the hegemonic role of the US in the Asia-Pacific. The priority to tackle the security problem has impelled President Xi to promote a new concept based on the coexistence of a rising power and an existing power. Referring to China and the US, in June 2013, President Xi promoted a new model based on the need of building up a China-US cooperative partnership while hoping to maintain the momentum in developing bilateral ties despites disputes and frictions; this new model was then defined as "new type of major power relations" (Zeng, 2016).

In the wake of "Chimerica"² and G2³, this new concept fostered the potential for a new engaging relationship that is expected to provide a degree of mutual understanding and reduce the escalation of further frictions between China and the US. The priority given to this engagement is linked to the necessity of both states to confront major regional and global concerns. The perception of the US as "the most developed country and the representative of Western developed countries, and China, as the largest developing country and the representative of emerging powers" (Zeng & Breslin, 2016, p. 760) played a further role. Nevertheless, this new Chinese-coined model was differently perceived in both states. While the US remained skeptical on the implications of this new model and uncertain about China's intentions, in China, the "new type of major power relations" seemed to have evoked high resonance. Indeed, China framed this model at odds with political alliances from the Cold War mentality and stressed that this 'new type' needed to be referred to as China's breakthrough to leave its passive trend and act in favor of its interests by undermining American pressure, spreading its international peaceful image and creating the possibility of being recognized as a great

² Chimera conveys the symbiotic relationship between two economies, China's and America's, which have become the driver of the global economy. This term consists of the combination of Chinese development in exports and American overconsumption which boomed the global trade. However, the financial crisis in 2008 disrupted Chimerica highlighting the economic imbalance between the two countries (Ferguson & Schularick, 2009).

³ The idea of a G2 (Group of Two) was used in the wake of the global financial crisis of 2008 to refer to the unique economic bond between the US and China on the global scale (Zeng & Breslin, 2016).

power (Zeng, 2016).

However, this new Chinese-coined model can be divided and analyzed in two key parts, such as 'new relations' and 'great power'. As concerns the former, the two countries are aware that their relationship is a constant work in progress and there are several obstacles they are to overcome if they are willing to form and endure in a new partnership. Instead, the latter is referring to China's quest for shifting its identity internationally and achieving an enhanced position at the expense of the US. China is aware that its identity will also depend on how other major countries respond to its future policy and self-definition. It can be argued that a high demand of Chinese achievements is then expected to come as China is generating high expectations in international affairs. Therefore, China needs to temper some of itself expectations as a great power in order to avoid the danger of failing from meeting them and lose its leadership. As a result, China needs to weight out promoting the idea of China as a great power and show realistic power capabilities (Larson, 2015; Zeng & Breslin, 2016).

Furthermore, the "new model" has three main core elements: no confrontation which implies mutual understanding and efficient management of both states' influence and interests, mutual respect which involves acceptance of their different political perspectives and domestic agenda priorities including the issue of human rights on which they are harshly divided, and win-win strategy which implies a common-ground that may benefit both states and uproot the idea of China as a threat rather than an opportunity. The real challenge comes when these two countries have to manage their dual-interaction set in a fragmented international system. Indeed, both states should mutually understand that world peace and security cannot be merely achieved through the Sino-American relations as other rising powers will come to be competitive and challenge their supremacy. Their relationship may play a crucial role in shaping the future of the international system, but China and the US should respectively stop being overconfident and impatient and stop being oversensitive for declining influence even though both current attitudes symbolize the antithesis of cooperation and shared leadership (Zeng, 2016; Zeng & Breslin, 2016).

China launched further initiatives based on the same policy, namely reaching common development, beneficial cooperation and multilateral security mechanisms that, in turn, urge all states to adhere cooperation programs and pursue mutual trust. China's vision on security was outlined in the White Paper issued in January 2017 which, in detail, illustrates Chinese policies related to the Asia-Pacific security cooperation and clarifies

the nation's stance on issues of regional concern. This document also elucidates Beijing's strategies in the years to come and provides a series of remarks on how China intends to proceed eventually on the matter of its leadership in the Asia-Pacific, regional hotspots, such as the South China Sea, relations with other countries and so on (The State Council Information Office of the People's Republic of China, 2017). Described as a strategic link between the Indian and Pacific Ocean and treasure of undersea resources, the South China Sea raised a great deal of concern and attention among coastal states which have been miring in standoffs over territorial disputes. In particular, the Philippines adopted a distinctive aggressive maneuver by offering new areas for foreign investments and expanding production in existing areas. The value of this maritime area and its strategic location in these water lanes also encouraged the US to take part in this contentious area. The presence of several actors in the South China Sea and the resulting multilateral shape of these waters mirrored what China was essentially keen to avoid in order to preserve its preponderant influence over the maritime area (Holmes, Phillips & Bowcott, 2016). However, China's stance upon this issue remains positive and, as stated officially, China has committed "to resolving disputes peacefully through negotiation and consultation, managing disputes by setting rules and establishing mechanisms, realizing mutually beneficial outcomes through cooperation for mutual benefit, and upholding peace and stability as well as freedom of navigation and overflight in the South China Sea" (The State Council Information Office of the People's Republic of China, 2017, Chapter IV, Section 5).

Above all, this official document illustrates that China conceptualizes security as follows: common, comprehensive, cooperative and sustainable; the first one accommodates security to all neighboring nations, the second considers history and reality as a compelling bond to seek a functioning first approach to regional security, the third involves all countries in the region to build up mutual trust through a constructive dialogue and the fourth hints at the need to focus on development for long-lasting security. In line with the Five Principles of Peaceful Coexistence⁴, the White

⁴ Five Principles of Peaceful Coexistence or Panchsheel Treaty defines the relationship between the Republic of India and People's Republic of China. It is one of the most important pieces of foreign policy in the modern world. In 1954, both nations agreed to trade and intercourse between the Tibet region of China and India, which indicated to the world that China and India has not defined their relationship on economic, cultural or military foundations, rather on ideological ground. The five principles were: mutual respect for sovereignty, mutual-non aggression, non-interference in each other's internal affairs, equality and peaceful coexistence. This was an opportunity for China to show a peaceful development and prove to strive to developed relations of friendship (Miou, 2015).

Paper reaffirms China's peaceful intentions to strive state-to-state relations and strengthen cooperative ties with other states in the region. China has then set its policies on mutual respect for territorial integrity, mutual non-aggression, non-interference in other states' internal affairs, mutual benefit and peaceful coexistence. It also impels other states to enhance collective military confidence through mechanisms that support interaction with the armed forces of other countries, such as the UN peacekeeping missions, and draws particular attention to maritime security by sponsoring itself as an advocate of maritime cooperation. China does not deny frictions on historical issues and disputed territories, especially in the South China Sea, rather upholds consultations to settle on peaceful solutions, tackle divergences and control oil and gas exploitation (The State Council Information Office of the People's Republic of China, 2017; Ministry of Foreign Affairs of the People's Republic of China, 2014).

A follow-up to the security discourse embraces the ultimate objective of Xi Jinping's political strategies. At the 173-minute mark of his report to the National Congress of the Chinese Communist Party (CCP), the twelfth section of his report is titled "Adhering to the Path of Peaceful Development and Constructing a Community of Common Destiny with Mankind". Here, Xi Jinping's idea for a 'New Era' becomes clear as he calls for the world to form a new community drawn from the concept of *tianxia* – "all under heaven", living in harmonious coexistence. Contrary to the context provided by Hu Jintao in his 2012 Party Congress report, Xi Jinping does not aim to raise more awareness amongst neighboring states, but to broaden the conceptual framework to the entire mankind. The wording is crucial itself as Xi strives for achievement; indeed, he tries to apply this concept to the international context by specifying what is hidden behind a 'community of common destiny'. He explicitly refers to a community of shared interests and a community of shared responsibilities with mutual trust in the security realm. He advances this model as an opportunity for all countries, including developing ones, to achieve modernization while being independent and as an alternative to the world's salvation rather than merely China's. He further included this concept in the Chinese Constitution under 'Xi Jinping's Thought' marking a 'New Era' for China's leadership (Yamei, 2017; Mardell, 2017).

Not only did Xi Jinping dig the foundation of his reasoning in achieving the 'Chinese Dream', but also in development and regional stability. The country has left the vague idealism behind to take upon a strategic pragmatism; indeed, China has also adopted

zhoubian – or the so-called peripheral diplomacy – which consists of regional and sub-regional ties and “strives to strike a balance between the defense of national sovereignty and the maintenance of regional stability. It simultaneously stresses that efforts will be made for better political and economic relations with neighboring countries, closer security cooperation and people-to-people contact” (Ranade, 2014). Keeping its eyes on the prize, China has become more active in putting forward initiatives such as the Asian Infrastructure Investment Bank (AIIB) and One Belt One Road (OBOR) to strengthen infrastructures both on the westward land route from China through Central Asia and on the southerly maritime routes from China through Southeast Asia and on to South Asia, Africa and Europe. The initiative for more public goods is thus another piece of the puzzle that serves Chinese purpose to combine economic growth with global influence in order to enhance its dual power (Figure 1, 2).

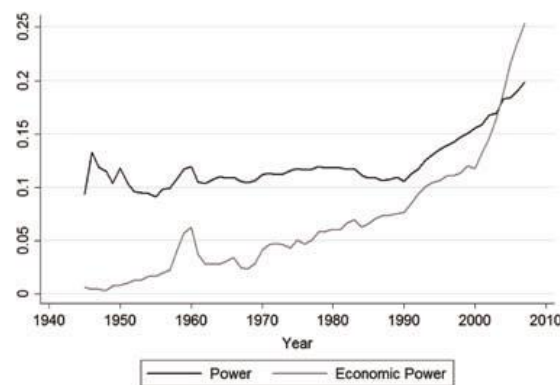


Figure 1. China's power relative to all states (Jung & Lee, 2017, p. 97).

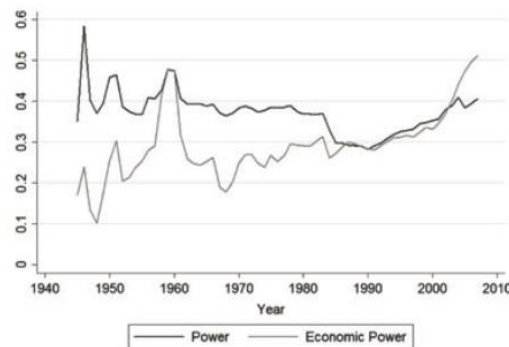


Figure 2. China's power relative to Asian states (Jung & Lee, 2017, p. 98)

As economic power and general influence proceed at the same rate, China is urged to strengthen its foreign policy to meet the international standards and compete internationally. Regional challenges and competitions have also exposed China to change its “deferential attitude to one of more assertiveness” (Zhexin, 2016, p. 60) which led the country to become a more proactive international player, which reflects its attitude toward Asian countries and the US. Xi Jinping emphasized that “China will never pursue development at the expense of other’s interests, but nor will ever give up its legitimate rights and interests [...]. No matter what stage of development it reaches, China will never seek hegemony or engage in expansion” (the 19th National Congress of the Communist Party of China, 2017, p. 53). With such thinking, China gains the tools to become more confident internationally, reinforce its leadership and build trust around itself under the profile of peaceful rise while reinforcing military basis, claiming territories in the South China Sea and competing with the US (Zhexin, 2016). Nevertheless, China’s political strategies are perceived as a threat from the US which has, in turn, begun to take initiatives to rebalance its power in the Asia-Pacific to avoid marginalization and counter Chinese military leadership and naval defense around territories in the South China Sea (Xin, 2018).

3.2 American Policy

The 21st century has witnessed ups and downs in the Sino-US relations as the security environment has become intricate over time. Both states have proved to be willing to develop a cooperative relationship and engage in a constructive dialogue, even though their intertwined economic and security interests still label them as rivals. In respect to the US foreign policy towards the Asia-Pacific, the Obama administration set up six specific diplomatic priorities⁵, which, in general, highlight a renewed American commitment to the regional security. Billing himself as “America's first Pacific

⁵ The first point reflected a tight control of costs of war which, however, did not restrain the US from sending troops in Syria and Libya in 2011; the second reflection was about implementing a maneuver that could shore up the economic growth affected by industrial and commercial crisis and could revive the manufacturing sector and export trade; the third concern embraced the fight against terrorism which witnessed under Obama’s administration the assassination of Osama Bin Laden; the fourth issue was on a nuclear-free global setting with some emphasis on climate change; the fifth point reflected the resumption of diplomatic ties as in the case of Cuba (Canrong, 2016).

President”, Obama promoted a “rebalance to Asia-Pacific” warning the world that a new engagement between the US and its Asian partners was going to be established. This maneuver represented a historical shift in the region and pointed out a change in America’s security policy which necessarily arose suspicion and irked Chinese government. The “rebalance to Asia-Pacific” constituted the last approved version of other two expressions which were not sufficiently evaluated. Obama first proposed the policy of a “return to Asia” which was contested by some members of the administration who claimed that the term indicated that the US had abandoned the Asian continent. Then, the policy was renamed as “pivot to Asia” which was considered inaccurate to describe American pledged goals in the region. Lastly, “rebalance to Asia-Pacific” captured much more effectively the US political strategy and emphasized correctly that the existence of a rising power (China) in the region was causing a counterbalance by the US (Green, 2016; Canrong, 2016). This maneuver was based on four pillars that will be explained as follows:

1. The first embodied an increase of navy and air force deployment to the Asia-Pacific, accounting for 60%, while dividing the rest 40% for home territory and mobility (Davidson & Dickey, 2015);
2. The second consisted of a trade pact designed to liberalize investment between 12 Pacific countries except China, or so-called the Trans-Pacific Partnership (TPP) (Rothfeder, 2016);
3. The third was proposed by the former Secretary of State, Hilary Clinton, who suggested a “smart power”⁶ that could convey a reconditioning of how the US executed diplomacy. In other words, this plan aimed to take advantage of territories disputed by China and strengthen new partnerships (Dargiel, 2009);
4. The fourth recalled the importance of Sino-US relations and referred to the need of keeping contact with China (Canrong, 2016).

Even though the four pillars represented a historical improvement in distributing power between both countries, they failed to contain the rise of China on a regional and global scale. Discussing the flaws of this policy, firstly, the decision to deploy more navy and air force to the Asia-Pacific pushed China to take remedial action to forestall eventual challenges. Indeed, it accelerated its military modernization, as proved in the

⁶ The idea was not new as it was a concept coined by Harvard professor, Joseph Nye (Dargiel, 2009).

announcement of the Air Defense Identification Zone in the East China Sea in 2013 and impressive military parade to commemorate the 17th anniversary of the anti-fascist war in September 2015 (Zeng, 2016). Secondly, a new trade framework pushed China to act vehemently to advance new partnerships not only with neighboring countries but also throughout the world, such as the Regional Comprehensive Economic Partnership (RECP), Free Trade Area of the Asia-Pacific (FTAAP), AIIB and OBOR. Thirdly, the “smart power” and ties with China seemed to overlap fueling China’s mistrust toward the US. If conceived against China, Obama’s rebalance may be seen as a blueprint for containment or pushback against the rise in China and, consequently, feed narrative that could be destructive for Sino-American ties (Ford, 2107). By contrast, the explanation provided by the US administration regarding the overall strategy emphasized that the US objectives in Asia are not merely linked to China. As concerns the Asian countries, Obama’s initiative along with the revival of the US commitment did not meet the expectations as it did not achieve an immediate improvement of the security relations with regional actors. The fundamental reality is that all Asian countries still want to have good relations with both China and the US depending on their own interests; from the former, they are willing to achieve benefits in terms of economic engagement and reduction of tensions, while, from the latter, to maintain a security edge should their ties with China go wrong as well as military and financial support. What is significant about Obama’s administration is that it has imposed some complementarity and synergy to an array of efforts that has been percolating along one fashion or another in Asia. A synergy is itself a significant accomplishment that is difficult for the administration to pull off rapidly. But, taking into account positive aspects of the “rebalance”, this policy considered as a fairly integrated strategy toward all of Asia, not focusing on China. This strategy also allows the US to play more positively in the regional scenario and seems to have provided serious assurances on American military priorities. In sum, Obama was able to convey a sense of American dynamism considering his first visit to China as President of the US and a series of other significant elements. The US made an effort to reaffirm its leadership role promoting significant outcomes and working with other partners to achieve them. In terms of China dimension, this might have a beneficent effect on the US-China relations and might structure a healthy set of relationships throughout Asia (Canrong, 2016; Fuchs, 2016).

However, evolving changes come along with the establishment of a new administration; this is the case of Trump's. Since he took office in 2016, the US approach to the region seems to have taken a different diplomatic and economic path by firstly labelling the "Asia-Pacific" as "Indo-Pacific". This term has been preferably used to carry on his electoral promises of being the "best friend of India"⁷ and make a better deal with a fast-growing economy that has a robust rise in manufacturing and construction. Also, the impetus of the TPP withdrawal highlights the different American position on trade which is more oriented to adopt a series of bilateral trade deals rather than multilateral partnerships (Focus Economics, 2016).

All these alternatives influence the regional security along with its relationship with Asian countries and China. Given the potential for a break up between the US and the Philippines, it is relevant to mention that the impact could be massive and bring significant drawbacks for the US economically and diplomatically. Also, the Philippine shifts to China "could give China more leverage to tighten its grip on the already tense region" (ibid.) over disputed territories in the South China Sea. Therefore, what the US needs to face nowadays is China's evolving status and the series of strategies the country has put in place by narrowing the gap with America and broadening its vision beyond the US-China relations and expand it to a global scale (Orchard, 2017).

As final remarks, states throughout Asia are being affected by this dual competition and none of them is willing to be either subject to exclusive American or Chinese dominance in the region. Indeed, all states welcome the US-China competition but the friction that would force tough choices on other countries (Greitens, 2013). Only wise and steady management of US alliances in Asia along with endorsement of American participation in Asia's regional dynamism will possibly avoid a rising power and an existing power to fall in the trap of a potential conflict.

3.3 Theoretical Approach

Scholars have widely discussed the Sino-American relations over the years and took a stand according to their theoretical framework. Focusing on their bilateral relations and excluding the involvement of other regional states, the narrative will now embrace different approaches which, on one hand, which consider the potential for a conflict

⁷ During his campaign, at the Hindu charity event in Edison, New Jersey, in 2016, Trump called India as a "key strategic ally" and promised that if voted India will become the US' best friend (FirstPost, 2016).

between China and the US highly valid and, on the other hand, substantiate their argument by discussing the increase of the odds for Chinese peaceful rise. In detail, offensive realism along with power transition theory will be primarily illustrated, while Barry Buzan's perspective based on the concept of "peaceful rise" of the English school will be set out lastly.

3.3.1 Offensive Realism and Power Transition Theory

The two IR theories focus on different aspects of this complex relationship, but intertwine on the hypothesis that the rise of China in the Asia-Pacific might incentivize the US hard response in order to keep its rebalance in the region. From this perspective, the two countries might clash.

To begin with, the original standpoint of offensive realism conceived states in the search for primarily expansion and power maximization displayed in territorial conquest⁸. In expansionist eyes, two rivals would feel prone to war and would only allow one of the two to achieve regional hegemony (Mearsheimer, 2001). Due to constant change in the regional security environment, this theory has been also evolving and adapting to new instances. Indeed, offensive realism recognizes that states are no longer 'mindless aggressor' rather rational actors that think strategically and take cunning actions to preserve their position and strengthen their status quo. Two key factors that play a major role in this strategy are: balance of power that remains a variable as states constantly interplay one another and geography that is constituted as 'structural modifier' and influences the society-wide (Mearsheimer, 2009). Analyzing each single case, the US has firstly remained the sole regional hegemony in the last two centuries mainly because it encountered no powerful local or external rival that could restrain its ascendance. Having now acquired massive power in the region, the US is reluctant to tolerate a rival's control of the Asia-Pacific. This is what the world is witnessing nowadays where, on the contrary, China is willing to form a counterbalance and engage in offsetting coalitions with Asian nations. China's strategy aims to impede the US from gaining more influence and expanding its boundaries even farther in the region. Keeping the eyes on the prize, China has tried to protect itself from American threats, to contain the US presence in Asia and to endorse Chinese economic and

⁸ The land is perceived as a state's latent power together with its population, wealth etc. (Mearsheimer, 2001).

military buildup. As the two countries interface with the same region, Northeast and Southeast Asia also happen to be involved in the contention. Taking into account the case of Southeast Asian countries, they are reluctant to choose between the US and China, also, willing to maintain their autonomy and freedom of maneuver. Nevertheless, they are under high pressure from China which is adopting the carrots-and-sticks-strategy by offering rewards for their cooperative engagement with the nation while punishing them for being reluctant to cooperate. This assertiveness and effort to “demonstrate to its neighbors that it is not a paper tiger and defying its ascendance has a price” (Li, 2015, p. 8) reflects its strategy to counter the US rebalance to Asia, weaken its allies in the region and convince neighboring countries to support China in its rise. If, on one hand, the reward might consist of financial incentives for development also to show that even a superpower needs partners to cope with potential rivals, on the other hand, uncooperative neighbors are likely to be subject to coercive methods e.g. neglecting the access to Chinese market, imposing trade sanctions, refusing to provide economic assistance and so on so forth. Even though, officially, Chinese government expresses no intention of pushing the US out of Asia, there is no doubt that if the US alliances are dissolved in the region, China will try to emerge as a regional hegemony in Asia. However, as offensive realism recalls, China’s ascent to regional primacy has lasting limits considering that the US will not stand aside and Asian countries will always try to not take aside. Partly, the basic assumptions of offensive realism seem to apply to the Sino-American relations because they reveal great power politics is a struggle for international influence, states use strategic approaches in global affairs, conflicts of interest among superpowers arise genuinely and are not a result of misunderstanding rather are generated by a causal significance such as regional primacy (Mearsheimer, 2001, 2005, 2010; Li, 2015; Montgomery, 2014).

The interplay between a rising power and an existing power also suggests the escalation that this power transition might bring about. China developed at a fast pace in a relative short timeframe which challenged the US hegemony. Here, the power transition theory (PTT) discusses the conditions for the outbreak of war when a challenger and dominant country are competing to achieve equivalence of power. According to this theory, politics is conceived as a hierarchy of nations which ties one another through different and varying degrees of cooperation and competition (Tammen, Kugler & Lemke,

2000). The distribution of power may trigger states' move as the challenger, or a rising power, becomes dissatisfied with its status quo. However, if the rising state has the capacity to challenge the existing power and bridge the gap between the two, the potential for confrontation becomes an international concern (Organski & Kugler, 1989). In line with the classical realist view, power is defined as "the ability of one nation to control the behavior of another for its own ends" (Organski & Kugler, 1980, p. 30), which is measured through national capabilities of developed countries and specifically equated with gross national product (GNP) and political development index⁹. In turn, transition determines the shift and balance of power between the dominant state and the candidate in the global setting. In Organski and Kugler's words: "There is a period during which both dominant and challenging nations are roughly equal in power. The challenger has finally caught up with the dominant country, passage is a reality, and the elites on both sides view the shifts in power as threatening [...] it is an attempt to hasten this passage that leads the faster-growing nation to attack" (Organski & Kugler, 1980, p. 28). They both emphasize that a smaller gap between a major power and contender increases the odds of going to war, while peace is likely to last when the national capabilities of the two actors do not correspond. Amongst international issues, the PTT is applied to the rising power of China and the relationship with the US as the former aspires to overturn the current situation in the Asia-Pacific and dreams about reaching the top level in Asia on different fronts and catch up to the latter (Organski & Kugler, 1980, 1989). As an old Chinese saying goes "Two tigers cannot live on the same mountain" and the PTT highlights that "disturbing the equilibrium that existed theretofore both parties will be unprepared for the resulting shift" (Organski & Kugler, 1980, p. 21), the question on the outcome of balancing power undertaken by China and the US comes along. However, other observers would question the potential for war when changes at the top of the hierarchy are in play and would rather emphasize that the warlike power struggles are an old story in international

⁹ Here are the main claims of the PTT: "An even distribution of political, economic, and military capabilities between contending groups of nations is likely to increase the probability of war; peace is preserved best when there is an imbalance of national capabilities between disadvantaged and advantaged nations; the aggressor will come from a small group of dissatisfied strong countries; and it is the weaker, rather than the stronger, power that is most likely to be the aggressor" (Organski & Kugler, 1980, p. 19).

relations. In other words, scholars from different schools of thought propose an alternative to such confrontation by assessing the prospects for a rising power and an existing power engaging cooperatively.

3.3.2 A Nuanced Theoretical View of the US-China Relations

The discourse on the Sino-American cooperative relations primarily lies in China's peaceful rise in the Asia-Pacific region. Scholars substantiate their thesis by setting out the value and historical importance that an engaging relationship could have in the long run without concealing that this goal has a meandering path ahead. By firstly approaching to the topic, a definition of peaceful rise is then needed and stands for: "a growing power is able to make both absolute and relative gains in both its material and its status positions, in relation to the other powers in the international system, and to do so without precipitating major hostilities between itself and either its neighbors or other major powers" (Buzan, 2010, p. 5). This approach emphasizes the potential for outplaying security threats in the region and takes its cue from the English school's focus on a more open view of the peaceful rise. It also adds that a rising power is expected to accommodate itself to the structure of the international setting and to acknowledge that other major powers can also accommodate changes and new dispositions of power. Connecting to the discourse with China and its relations with the US, what is relevant to assess here is whether its peaceful rise is possible within a contemporary international scenario (Jianjong, 2008). There is no doubt the US and China are subject to an array of challenges historically, economically, territorially and politically. They are characterized by several elements of tensions which could be possibly sketched out as follows: 1) China has depended and benefitted from the US-led international system to shape its development; 2) the desire to avoid conflicts and the US hegemony in the region has led both nations to bog down in a muddy relationship. The ambition to become the US' peer competitor and the use of coercive methods towards its neighboring countries will not foster a peaceful rise, but, according to Buzan, a positive outcome of this rise could be possibly achieved by taking part in the global political and economic order and cultivating good relations with neighbors (Buzan, 2010). China has proved to commit itself to a more cooperative relationship with the US and launch a variety of initiatives which are also expected to frame its positive rise in the regional and global order, such as the 'New Type of Major Power Relations', 'Community of Common Destiny', OBOR etc. Also, Buzan points out: "So far there has been no warlike rise either against great powers or China's neighbors.

China's relations with the United States as the prevailing hegemon are mainly cold peace, as are its relations with two of its major power neighbors, Japan and India" (Buzan & Cox, 2013, p. 114). In the last century, China has made notable improvements in terms of alliances, however the goal of facilitating the transit from "China's threat" to "China's peaceful rise" remains hard to accomplish worldwide. China can still reach the "follow-through of peaceful rise into some form of benign and consensual leadership" (Buzan & Cox, 2013, p. 115), but the complexity of operating in a total cooperative bilateral relationship with the US along with its assertive line in the South China Sea cannot be neglected; thus, the realist logic still remains in play (Wang, 2011; Buzan & Cox, 2013).

As China and the US interact with other Asian nations, the next chapter will take the Philippines as a case study and will set out how this peaceful vs warlike relationship may apply to such territory understanding what is the Philippines' response to this dual cumbersome presence. Thereby, the South China Sea disputes will be firstly illustrated to provide a brief overview of the geopolitical setting within the Philippines is framed. The fabric of the discourse will then develop towards the Philippine ties with the US and China by describing the former as treaty-bound allies while the latter as foes to 'friends'.

CHAPTER 4

TENSIONS IN THE SOUTH CHINA SEA: THE CASE OF THE PHILIPPINES

The South China Sea has emerged as one of the most disputed maritime areas and vexing security challenges on earth. On one hand, the South China Sea is conceived as a maritime thoroughfare in terms of trade and resources, while, on the other hand, it remains an area of growing and ongoing maritime contention. The draft of this chapter starts bringing out the tensions and initiatives taken on to defuse the potential for a conflict and to achieve an effective cooperative management regime in the South China Sea. The study will continue to illustrate the evolving Philippines-US-China strategic triangle by spotlighting the role of the Philippines in between. The discourse will, then, follow up on the land reclamation at Scarborough Shoal and will conclude with a critical analysis of the entire study.

4.1 Reasons for Standoffs

As mentioned above, the South China Sea is conceived as a contested maritime borderland with territorial disputes and overlapping interests. Known as the “Second Persian Gulf”¹⁰, the South China Sea is rich in mineral and natural resources, fisheries, trade routes and military bases, which are all at stake in the frequent diplomatic standoffs and escalation of maritime security concerns among the surrounding states (Figure 3). The primary source of conflict in the region is competition over resources, especially hydrocarbons and fisheries, which also fuel economic competition, given the rapid coastal urbanization of China. It is estimated there are roughly half a billion people who live within 100 miles of the South China Sea coastline, and the volume of shipping through its waters has skyrocketed as China and the Association of Southeast Asian Nations (ASEAN) increase international trade and oil imports (Bateman & Emmer, 2009).

¹⁰ China considers the South China Sea as the Second Persian Gulf because it contains a great deal of oil underneath the seabed (Daiss, 2016).

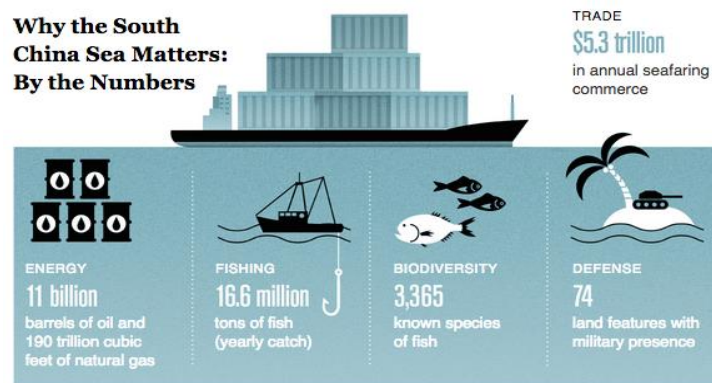


Figure 3. Importance of the South China Sea on different fronts (Bale, 2016).

In 2013, the US Energy Information Agency estimated there was 11 cubic barrels' worth of oil and 190 trillion cubic feet of natural gas below the surface that lie under the continental shelves of Southeast Asian claimants and offer tremendous economic opportunity for smaller nations, such as Malaysia, the Philippines, and Vietnam, and energy security for China's large economy (US Energy Information Administration, 2013). Below the surface, the South China Sea is also endowed with a highly diverse and rich coastal marine ecosystem ranking as one of the richest fishing environments and accounting for over 30% of the world's coral reefs (Lim & Liu, 2017). However, to enforce marine resources protection, annual fishing bans and arrests of fishermen have been used to claim sovereignty over features beneath and above the South China Sea platform including the Spratly Islands, Dangerous Ground, the Reed Bank etc. - all disputed South China Sea claims (Daiss, 2016). As one of the world's largest global trading routes, the South China Sea carries an estimated third of global maritime shipping with over half of the world's merchant fleet sailing through those waterways and is referred to as "the main artery of transportation for vital energy imports and commodity exports" (Rosenberg, 2011, p. 108). Mutual benefits from regional economic integration can be easily drawn and understood as an extremely compelling incentive for cooperation on resources, conservation, and security movements. The region has also been rapidly militarized raising the stakes of potential armed conflicts and making disputes harsher to resolve (Figure 4).

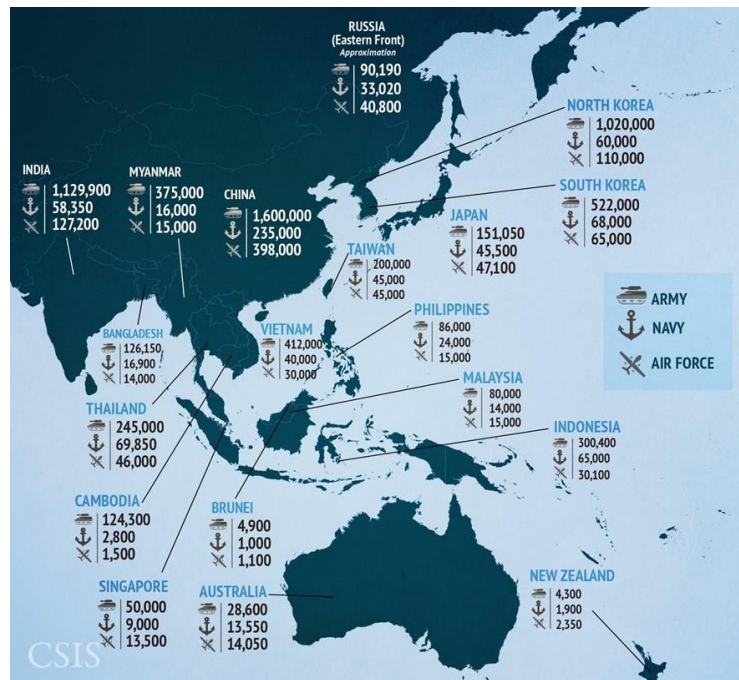


Figure 4. Intensified militarization of the South China Sea (Bender, 2016)

Most of the countries in the region embarked on a military modernization program to protect their immediate interests. This brought about naval disputes and borderlands surveillance experienced by countries in the South China Sea which also endured China’s burgeoning power in the region, especially around the Philippines and Vietnam (Kivimäki, 2002). As a result, both states took up military buildups while the Philippines “doubled its defense budget in 2011 and pledged five-year joint military exercises with the US [...] also embarked on a modernization program costing roughly \$1 billion that will rely heavily on US sales of cutters and potentially fighter jets” (Xu, 2014).

4.2 Stakeholders and Territorial Disputes

Two main groups of stakeholders involved in the activities in the South China Sea can be sketched out in regional states and international stakeholders: the former includes countries with extensive coastlines that desire to secure their sovereign rights and resource control in their Exclusive Economic Zone (EEZ), while the latter refers to non-regional countries that hold major naval interests in the South China Sea and aim to maintain open-access to the waterways in order to advance their naval vessels like Japan and the US (South China Sea Think Tank, 2016). The islands in the South China Sea form the core of territorial disputes among six primary claimants: Brunei, Malaysia,

Taiwan, Vietnam, China and the Philippines. These claimants clash over issues of sovereignty, primary routes for international trade and the seabed underneath which is home to bountiful oil reserves and fishing stocks. The whole context is escalated by historical value attached by China to the South China Sea islands that may exacerbate the dispute and restrain a legal resolution. On top of this, the shove between China and the US to control the international order also fuels the degree of regional security in the South China Sea.

4.2.1 Historical Context

Laying out the primary territories in question, the islands of the South China Sea can largely be grouped into two island chains: the Paracel Islands are clustered in the northwest corner of the Sea, while the Spratly Islands in the southeast corner. The interest in contending over those islands accelerated in the 1950s due to indications of oil beneath the waters which entitled the nations to pursue sovereignty claims. China, in particular, tried to provide record of national control over these features by calling for historical rights and basing its evidence on exclusive Chinese usage of fishing around the islands. China's claims were marked in 1947 when Chiang Kai-shek demarcated his territorial claims in the South China Sea mapping a "nine-dash line", originally eleven, that included the Pratas Islands, Macclesfield Bank, Paracel Islands, Spratlys Islands and Scarborough Shoal. Nowadays, the map, titled "Map of South China Sea Islands" is being used to serve the purpose of staking China's claims on the historical basis (Hayton, 2016). In the 1960s, the disputed islands achieved high resonance globally and pushed the International Court of Justice in the Hague, Netherlands, decided to step in and to adjudicate the North Sea Continental Shelf cases "by enunciating the natural prolongation principle, i.e., that national jurisdiction of the continental shelf could extend beyond the territorial waters limit" (Kivimäki, 2002, p. 14). This intervention generated the opening of the Third United Nations Conference on the Law of the Sea (UN General Assembly, 1982) lining up with the year of the oil crisis in 1973, which then led the coastal states to ask for the EEZ in order to "have sovereignty rights to exploit the marine resources" (UNCLOS, 1982, Appendix 18, p. 109) based on a 200-nautical mile limit regardless of the depth of the sea that became part of the United Nations Convention on the Law of the Sea (LOS Convention) signed in 1982 and came into force in 1994. What this resolution addresses is the definition of rights and responsibilities of nations regarding the surrounding waters based on the

EEZs and continental shelves. However, the Convention does not address sovereignty issues and does not create the fundamentals for legal resolutions due to vague wording. There are states that recognize UNCLOS as customary international law and abide by it, while others do not attribute the same value, as in the case of China. Two years earlier, precisely in 1992, to come to its defense, China passed the Law on the Territorial Sea and the Contiguous Zone, which staked claims to the entire South China Sea based on historical rights without being recognized by UNCLOS. This enhanced Chinese control over the maritime area to fight against the US' strategy to secure freedom of navigation for warships (Mirski, 2015). However, in the late 1990s, China and the US signed their first military agreement on the matter, which was then titled the "Military Maritime Consultative Agreement". This event represented a breakthrough in the bilateral relations that promoted defense dialogue and security engagement between the two naval forces; however, the efficacy of this agreement was questioned later on due to a collision occurred in 2001 between a Chinese F-8 interceptor and a US Navy surveillance aircraft (Kivimäki, 2002; Banlaoi, 2012). Moreover, in the early 2000s, the escalation of tensions in the region brought China and ten ASEAN states to reach an agreement, the so-called "Declaration on the Conduct of Parties", to establish a strategic partnership and to ease pressure for a potential conflict in the South China Sea. China finally agreed to engage in a multilateral approach which signaled that China would work collaboratively to limit the risk of conflict in the area. The plan included the following objectives:

- "promote mutual confidence and trust in defense and military fields with a view to maintaining peace and stability in the region;
- conduct dialogues, consultations, and seminars on security and defense issues;
- strengthen cooperation on military personnel training;
- consider observing each other's military exercises and explore the possibility of conducting bilateral or multilateral joint military exercises;
- explore and enhance cooperation in the field of peacekeeping" (Clad, McDonald & Vaughn, 2011, p. 242).

In 2010, China's economic expansion and energy consuming brought the country to become the second-largest consumer and importer of oil worldwide which led Beijing to strengthen its trade routes in the East and South China Seas. The US' interest in Asia's maritime commons arose afterwards. In 2010, the US reiterated its neutrality on

sovereignty in the South China Sea, but it emphasized its interest in rebalancing the Asia-Pacific. In 2013, China began dredging in the South China Sea moving sediment from the seabed to submerged reefs to create artificial islands which were completed by 2015 (Mirski, 2015; Townshend & Medcalf, 2016). China also adopted the “cabbage strategy” which, like wrapping leaves around the cabbage, aims to surround a contested island with as many ships as possible and seal off neighboring countries’ access to the feature with fishing boats, surveillance ships creating blockades that enable China to expand its territorial control and secure the trade routes around the surrounding waters (Erdoğan, 2015). By building its own made islands, China essentially installed its own naval bases. The military presence in the surrounding waters allowed Beijing to take control of more territories, thus to expand its domain. Chinese cautiously use of the “cabbage strategy” in the South China Sea has, however, raised tensions and intensified disputes in the region, where countries are trying to arrest trespassers in waters they claim. In line with Southeast Asian nations’ response to China’s military capability and growing assertiveness, the US rebalance to Asia-Pacific signaled a renewed diplomatic and military deployment and a heightened role in the South China Sea to reaffirm its presence in the area and defend international waters.

4.3 The Philippines

The Philippines is a unitary presidential constitutional republic where the President is the head of the government and rules the state. The country follows the Archipelagic Principle¹¹ and is a founding member of both the UN and ASEAN. Being a sovereign state in the Southeast Asia, Philippine territory spans a large number of islands located in the South China Sea where Manila is in the front line to claim its sovereignty over almost the whole Spratly archipelago and eight islands, cays and reefs following the principle of *res nullius*¹² and the EEZ of 200-nautical miles and Continental Shelf

¹¹ “The national territory comprises the Philippine archipelago, with all the islands and waters embraced therein, and all the other territories belonging to the Philippines by historic right or legal title, including the territorial sea, the air space, the subsoil, the sea-bed, the insular shelves, and the other submarine areas over which the Philippines has sovereignty or jurisdiction. The waters around, between, and connecting the islands of the archipelago, irrespective of their breadth and dimensions, form part of the internal waters of the Philippines” (Government of the Republic of the Philippines, Constitution of the Republic of the Philippines, 1973, Article 1).

¹² After Japan had abandoned them, a group of maritime activists, led by Thomas Cloma, occupied a number of them by proclaiming a new Kalaya’an, or Freedomland. A declaration, the so-called Garcia

established by the 1982 UNCLOS. Historical events and overlapping interests have exacerbated the relations between some states in the South China Sea (Mirski, 2015; Dobocan, 2016).

The Sino-Philippine territorial disputes represent an example of long and controversial historical path in the South China Sea. They tried to overturn a shaky relationship by committing themselves to a joint development in order to “make further exchanges and co-operation in the defense and military field, strengthen consultations between their military and defense personnel and diplomatic officials on security issues, to include exchanges between their military establishments on matters relating to humanitarian rescue and assistance, disaster relief and mitigations, and enhance cooperation between their respective strategic and security research institutes” (Ministry of Foreign Affairs of the People’s Republic of China, 2000). On rare occasions, their ties seemed to be heightened and more constructive, as in the case of the first defense dialogue in 2005 to enhance bilateral military cooperation. Furthermore, China offered joint development of resources and bilateral arrangements including other claimants, which, however, have mostly rejected these offers assuming that they reflect both an attempt to keep other claimants divided and a deal with de-facto recognize China’s claims of sovereignty. An additional obstacle to joint development arrangements negotiated in the South China Sea regards the geographic area which the arrangements are subject to, as the status of those features remains uncertain and highly disputed (Heydarian, 2018). Since the “nine-dash line” was released, the degree of tensions has increased in the region due to China’s perceived designs on the South China Sea which further skyrocketed in 2012 with the incident at Scarborough Shoal.

4.3.1 Scarborough Shoal

Scarborough Shoal lies about 120 nautical miles off the Luzon island and within the Philippines’ 200 nautical miles EEZ and Continental Shelf. It consists of six features, essentially rocks, that protrude above the water (Rosen, 2014). In 2012, a Philippine Navy caught eight Chinese fishing boats poaching in Philippine waters with large numbers of illegally-fished animals, like turtles and baby sharks, and corals on board.

Declaration, including 53 territorial features followed the occupation in 1956 in which the area was referred to as *terra nullius*. This action triggered a stream of protests and counter-claims from littoral states (Roy, 2016).

The Philippines' naval forces tried to apprehend the poachers but the arrival of other Chinese ships halted and prevented them from fishing. This episode led to a two-month standoff that ended with an agreement reached by both sides and implied the removal of both their vessels. The Philippines abided by the pact while China remained in de-facto possession of Scarborough Shoal. The situation changed when, a year later, China moved its vessels on another shoal to the south part of the Spratlys (Kivimäki, 2002; Banlaoi, 2012). In response to Beijing's move, in 2013 the Philippines filed an arbitration case against China under the auspices of the UNCLOS. According to the Convention, the coastal state's entitlements are described as a 12-mile territorial sea over which coastal states exercise their sovereignty and halt to a 200-nautical miles EEZ and Continental Shelf. This means that, within 200 miles of its coast, a state has exclusive entitlement to resources both living (e.g. fish) and non-living (e.g. minerals). The LOS reflects customary international law which is applicable to all states and bind them to these principles. As the "nine-dash line" extends within 350 and 380 miles, and go beyond 200 miles from China's coast, Beijing's claim come in conflict with the Convention, because they overlap with the 200-nautical miles' entitlement of the Philippines, which are authorized by the UNCLOS instead. Coming within 50 miles of the island of Luzon to the north and 30 miles of the south-western Philippine island of Palawa, the "nine-dash line" is further considered a violation of the Philippines' rights within the 200 miles. Thanks to this declaration, the Philippines is then entitled to the full enjoyment of its resources located within the 200-nautical miles without interference, especially in the case of China with no corresponding entitlement (Heydarian, 2016) (Figure 5).

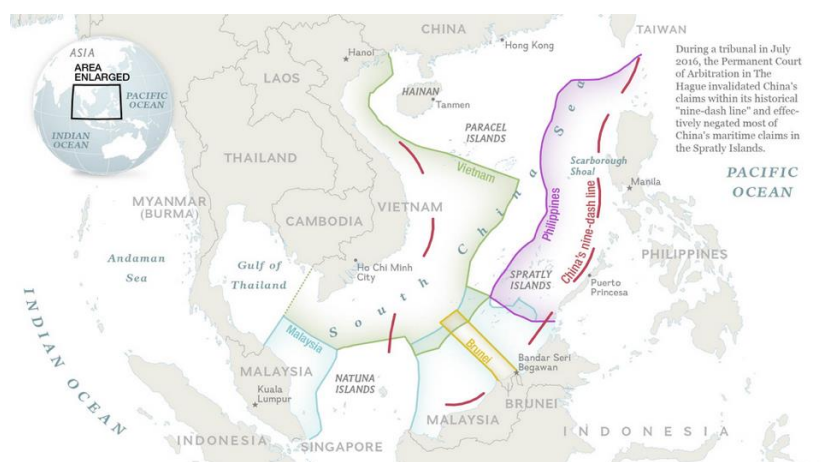


Figure 5. Asian states' competing claims in the South China Sea (Bale, 2016).

This appeal became highly beneficial for the Philippines, because it provided the tools to finally determine the status of this feature. Its significance is also linked to the potential for this feature to be recognized as an island or an insular feature; because if the shoal is considered as a rock entitled only 12-miles, only a small part of the maritime area will be in dispute between China and the Philippines, whereas all the waters outside that area will be part of the Philippines' EEZ and Continental Shelf¹³. For this reason, it is important for Manila to have this feature classified as a rock rather than an island, which would also automatically determine its sovereignty (Holmes, Phillips & Bowcott, 2016).

Having said that, China decided from the very beginning to not participate in the arbitration, which, however, did not deprive the court of jurisdiction and did not stop the arbitration to proceed (Perlez, 2016). The court rejected China's nine-dash line and ruled that China has no historical rights to the South China Sea and that the "nine-dash line" claim has no legal basis. In response to the court's stance, Beijing denied the tribunal's jurisdiction, rejected the ruling and confirmed its refusal to abide by its decision (Santos, 2016). As a result, Beijing tried to re-emphasize its stance by releasing statements that explain Chinese fishermen had been sailing in the South China Sea since the 13th century, had discovered and named the islands in the South China Sea.

The Philippines' official response to China's stance was not characterized by severe tones instead. After the legal victory, Manila assumed a sober language, which induced to scholars to assume that this attitude may reflect the newly-inaugurated Duterte's administration. Philippine President showed interest in advancing a political shift in the foreign policy, mainly oriented to China which could possibly rehabilitate bilateral ties, avoid military conflict and revive investment relations (Holmes, Phillips & Bowcott, 2016).

The odds for this pivot, however, might have enormous strategic implications for the US in the region. Indeed, in the case of Washington, Chinese land reclamation and military bases at Scarborough Shoal caused several challenges and derangements which risk to undermine the US aim of upholding regional security (Poling & Cooper, 2016).

¹³ According to the LOS, an island generates a states with coastline, a 200 miles of EEZ and Continental Shelf, while a rock is above water and cannot sustain human habitation or economic life of its zone (UN General Assembly (1982), Part VIII, Article 121).

Beijing warned the US about the possibility of turning the Scarborough Shoal into an artificial island, which would be highly significant in terms of control of the sea as a military base equipped with modern air Information, Surveillance and Reconnaissance (ISR) facilities would exclude the US from any form of control and access to the northeast part of the South China Sea. In 2015, the US and the Philippines signed the Enhanced Defense Cooperation Agreement (EDCA) which granted the former an intensified military presence in some parts of the latter, rotating ships and planes for humanitarian and maritime security operations. Manila offered eight bases to Washington to store supplies and equipment, whose three are on the island of Luzon and two on the western island of Palawa (Macfie, 2016).

From the American perspective, this negotiation and the announced “rebalance to Asia” allow the US to conduct strategic moves in the South China Sea and preserve its own interests, even not taking any official position on the merits of disputed sovereignty of the Shoal. The US’ actions include the rotational deployment of some task force of US Air Force aircraft and navigation surveillance in Philippine territory. During the meeting on the margins of the Nuclear Security Summit in 2016, Obama warned Xi Jinping “not to move on the Scarborough Shoal or invoke an air defense zone” (Perlez, 2016). Like other disputed territories, the Scarborough Shoal has the potential to lead to a military conflict in the South China Sea and, given the US’ proximity to the Philippines, this would not only carry enormous costs to Manila but also imply Washington military response as an ally (McDevitt, 2016). In Article V of the US-Philippines defense treaty, the US is bound to intervene and respond to any unprovoked attack on Philippine armed forces, vessels or aircraft in the Pacific; this includes Scarborough Shoal and other areas in the South China Sea (Albert, 2016). In sum, Washington remains neutral on the legitimacy of Manila’s territorial claims but remains clear about its stance in case of attack on Philippine forces that falls within the treaty commitment. The Philippines may turn this treaty into its advantage to deter China from escalating incidents, but the severe gaps in naval capabilities, lack of economic lead and violation of international law to send US vessels into territorial sea of a disputed feature in the absence of the use of force by China prevent Manila from confronting China. The security and diplomatic costs of reclamation at Scarborough Shoal, as well as on all disputed islands, remain significant (Heydarian, 2016). In the meantime, China

also hesitates to fall into a military clash with its neighbors, including the US, while trying to emerge as a global power through the policy of a peaceful rise.

4.3.2 The Philippines' Foreign Policy Shift



Figure 6. The Philippines' breakup with its historical American ally, Maverick Pesigan, ABS-CBN News, 2016

Following an intensified China-US rivalry in the South China Sea, the Philippines adopted new political measures which aim to create new security partnerships and benefit the country to compete in a multipolar world. During his official visit to Beijing in the late October 2016, the Philippines' President Rodrigo Duterte announced a foreign policy shift that seemed to orient the country towards China while leaving its longstanding ally, America, on standby mode. The “pivot” to Beijing surprised the entire international audience and blindsided the US, which used to consider Manila as “a pillar of its foreign policy ambitions to firmly position itself in the Pacific Century” (Focus Economics, 2016).

By revitalizing the relations with the neighboring countries, Duterte sought to tread a different path from previous governments by aiming at economic payoffs like investment, cooperative ventures to combat illegal drugs, public infrastructure, agriculture and tourism. Implementing sweeping changes, Manila's strategy seemed to have almost set aside the ruling of the international tribunal against China's sovereignty claims and trespass on Manila's EEZ around Scarborough Shoal and the Spratlys. Though Xi Jinping described the Philippines' move as springtime of new relations with China, skepticism also arises globally as the interest in shifting Manila's allegiance away from the US was signaled a few months later the historic arbitral ruling on the South China Sea. In the discussion on the Sino-Philippine relations, an aspect to point

out is the Philippines's status quo, which is struggling between years of mutual discontent with China and the country's treaties and long alliance with the US (Banyan, 2017; Heydarian, 2016; Valencia, 2017).

Manila seems to be working on maintaining the relationship with Washington and aligning the country with an existing emerging power like China (Banyan, 2017). The purpose of this pivot also concerned the commitment to democratic principles and new economic and military ties. The US and the Philippines established a mutual defense treaty that has been in effect since 1952. Moreover, they engaged in joint military exercise trainings and strengthened their economic intertwined ties which led the US to prevail on a global economic scale and play an important investment source role, particularly in business process outsourcing industry (BPO)¹⁴, which still remains a major source of economic growth in the Philippines (Focus Economics, 2016). The announced economic and military "separation" from the US comes about after a series of events such as the American faint commitment to defend the Philippines against China's invasion, the low commitment in global infrastructure market compared to China's generosity to fund Duterte's infrastructure projects, and after the recent US withdrawal from the TPP. Additionally, the "America first" slogan also restrained an afloat cooperation with the Philippines which, in turn, perceived it as an obstacle to pursue its national security and economic interests (Ibarra, 2017).

During the Belt and Road Forum in 2017, China and the Philippines signed nine agreements which aimed to strengthen their relationship and bring in 9 to 8 billion dollars in investments that will eventually generate about 10,000 new jobs in different sectors for all Filipinos. The nine business deals also included the proposed Davao city expressway project, technical cooperation for agricultural technology (e.g. China's loan agreement on the construction of the Chico Pump Irrigation Project in Northern Luzon to modernize Philippine hybrid rice center), and other economic cooperation. By showing its generosity, China tried to woo the Philippines while always keeping its eyes on the prize, which might refer to joint exploration in the South China Sea, bilateral

¹⁴ "The business process outsourcing (BPO) industry is the second-largest source of income for the Philippines after overseas foreign workers, generating 1.2 million jobs and \$22 billion in revenue in 2015. By one estimate, 77% of BPO services are for American companies" (Steger, 2016).

negotiations on territorial disputes and low leverage against Beijing (Agence France-Presse, 2018; Ariffin, 2018).

In sum, the attempt to pursue an independent foreign policy has turned out, on one hand, to mire the Philippines in an unpleasant spot in the Asia-Pacific region and, on the other hand, to entitle Manila to liaise with both nations in order to gain maximum benefit from both of them. As long as Duterte maintains the same tune with Washington and hesitates from sending an official notification of separation to the US, his administration is not compelled to substitute one major power for another. Nonetheless, an escalation of competition in Sino-American relations may trigger an exacerbation of the regional setting and induce the Philippines to take aside which would have a significant economic and political impact in the future.

4.4 Philippines-US-China Strategic Triangle: A Critical Analysis

The South China Sea symbolizes a hotspot in which China, the US and Southeast Asian countries are mostly involved due to petroleum deposits, crucial trade waterways and potential territorial claims. The waters are seen as critically strategic by all surrounding states that tend to not negotiate when their interests are in play. The outcomes of different political lines adopted over the years have shaped the regional setting which has witnessed the US “protecting ASEN nations, international shippers, and oil companies’ rights to navigate and explore the South China Sea” and, on the contrary, China promoting “some degree of peace and stability in the South China Sea” (Kurlantzick, 2011). Considering both responsibilities in reshaping the international order and the participation of other countries, China and the US continue to have work-in-progress ties which allow them to adopt a more constructive dialogue and avoid to fall in the Thucydides trap¹⁵. As a conflict would not benefit mutual development, would thwart both states’ achievement of goals economically and would have a high cost that Manila and Washington would need to face (Berggruen & Gardels, 2017), the trap does not seem to be convenient for both powers.

¹⁵ “The defining question about global order for this generation is whether China and the United States can escape Thucydides’ Trap. The Greek historian’s metaphor reminds us of the attendant dangers when a rising power rivals a ruling power—as Athens challenged Sparta in ancient Greece, or as Germany did Britain a century ago” (Allison, 2015). As Xi Jinping himself said during a visit to Seattle in 2015, “There is no such thing as the so-called Thucydides Trap in the world. But should major countries time and again make the mistakes of strategic miscalculation, they might create such traps for themselves” (Huaxia, 2015).

Reflecting this discourse, a “New Type of Major Power Relations” may embody a political strategy to ease the tensions between the US and China which promoted mutual trust as a major principle to base their relationship. However, it cannot be denied that there are other factors that undermine the enhancement of strategic trust in their bilateral relationship which are rooted in the inadequate and insufficient understanding of both policymaking processes, historical records and so on (Greitens, 2013). The effort to identify the reasons of distrust in the context of their foreign policy in Asia-Pacific, however, does not imply an effective alliance management as it cannot itself eradicate the risk of conflict. Indeed, the expansionist trend of China, investment projects and strong presence around American allies in the South China Sea may inhibit the possibility of conducting cooperative operations. In the wake of China’s rise and support of fragile bilateral relations, the “rebalance to Asia-Pacific” by former President Obama could be interpreted as a further political attempt to resume diplomatic ties, show record of renewed friendly relations, in particular with ASEAN nations, and heal the tortuous relationship with China. However, if the American new strategy and Chinese-coined model seem to have what it takes to face tensions in the region and confute what scholars of the power transition theory claimed about the coexistence of a rising power and a hegemony, the other side of the coin seems to reveal a dreaded outcome that may change route in American strategy as it would encourage China to invest in new development projects with its neighboring countries and accelerate its military modernization. Therefore, both the “New Type of Major Power Relations” and “rebalance to Asia-Pacific” have an enormous potential in terms of no conflict and win-win cooperation, but they struggle with keeping up with mutual respect as the economic gap and military influence between them come to be narrowing and they aim at expanding their horizons on a global scale.

Their foreign policies are constantly oscillating from engagement to rivalry. The leading ideology that rules both countries has a severe impact on how the partnership may evolve or regress. America’s offer to engage cooperatively in the region shows that its willingness to secure strategic interests in the waters is concrete and merits its involvement. But, the stance of the US as a mediator in the South China Sea remains, somehow, a utopian idea “primarily because China’s moves in the waters are largely motivated by the US position in the Western Pacific” (Orchard, 2017). Both China and the US are prone to prevent a conflict in the South China Sea and, if the former is

pressuring to claim disputed territories and not lose its strategic access to the Pacific, essential to its export-dependent economy, the latter continues to sponsor itself as a security assurance to Southeast Asian states which are subsequently subject to change leanings.

The situation in Asia has recently witnessed a gradual transition economically, militarily and politically depending on the two superpowers' leverage to reshape the region. In line with what scholars from offensive realism claim, Beijing and Washington's strategic choices in Asia-Pacific reflect their mutual necessity to attain regional consensus and restrain each other's presence (Mearsheimer, 2014). Both states have showed their tendency to act strategically and comprehend carefully the costs of their actions, and "when to raise and when to fold" (Mearsheimer, 2014, p. 37, 40). However, they constantly remain on the alert to promote new strategic policies and prevent one from prevailing over the other. Conflicts of interest are not considered a result of misunderstanding but a genuine feeling instead. Even though no military confrontation is concerned at the moment, both states continue to either forge a new status quo or maintain their influential stance. China and the US' interplay with states in the South China Sea has an impact on the moves that will be eventually taken by countries in the area, which, however, can change their allies but not their neighbors. For this reason, they remain reluctant to choose one of the two parties and take a hard line on maintaining their autonomy and freedom of maneuver (Li, 2015). This is the case of the Philippines which has recently shifted its foreign policy to China without neglecting its treaties with the US.

Since President Duterte took office, the offspring of this dual pressure has become "a vertigo-inducing change in its foreign-policy orientation" (Kazianis, 2016). As China and the US are involved on different fronts, Manila started to rethink its strategy regionally and face a critical choice between Chinese economic aid and American security. Instead, Duterte ended up not taking sides but collecting concessions from both powers. Indeed, "the Americans reduced Mr. Duterte's obligations to the alliance while continuing to guarantee his country's defense. The Chinese offered Mr. Duterte favorable terms on maritime disputes and possible investment deals" (Fisher & Carlsen, 2018). In a Chinese-American world, nations like the Philippines tend to be neither fully independent nor to choose sides. Thereby, Duterte's strategy seems to entitle him

to draw maximum benefit from both states and minimize the risks of losing its independence.

Therefore, different approaches to Philippine new stance or “pivot” to China can be drawn due to its foreign policy shift in 2016. From a realist point of view, Manila’s decision to embark on a new geo-strategy can be analyzed by its willingness to engage in new security partnerships which shape a world dominated by multiplayers and leave behind a Cold-war setting characterized by a bipolar world. The US’ vague support to the Philippines, in the wake of the 2012 Scarborough Shoal incident and after the Hague court’s verdict on territorial disputes in the South China Sea which only encouraged China and the Philippines to “clarify their maritime claims in accordance with international law – as reflected in the Law of the Sea Convention – and to work together to manage to resolve their disputes” (Gady, 2016), does not seem to be reassuring in case of confrontation with China. Reactions by the US’ administration appeared slightly subdued, which lies in the US’ tricky regional position. On one hand, Washington does not want to risk provoking a conflict with China and, on the other, it wants China to stop bullying their allies in the region. On the economic side, the US’ low commitment to invest in the global infrastructure market has, instead, pushed the Philippines toward a key investor, like China, that has showed lots of initiative and capacity to accomplish infrastructure projects, especially in Central Asia and Africa. To settle accounts, the US’ inactive role in assuring security support and promoting ongoing economic investments in the Philippines has overturned Manila’s leanings and prompted the country to frame Beijing as a competitive alternative to Washington (Kazianis, 2016).

Instead, another approach to Duterte’s surprising shift mirrors the President’s bounded rationality. From this perspective, it can be argued that Chinese magnanimous attitude towards the Philippines does not, however, change the geopolitical situation and standoffs in the South China Sea. Indeed, China continues to claim sovereignty over the features within the nine-dash line, to maintain artificial islands in the Philippines EEZ. Manila seems to have overlooked what may be the impact of its “pivot”; indeed, in the light of the arbitration case, China may insist on “lack of hype on the ruling, possible reduction of joint patrols in the EEZ, return to bilateral negotiations in managing the disputes, and distance from the US” (Ibarra, 2017). As a result, this strategy would drastically reduce Philippine leverage against China and would turn this situation in Beijing’s favor.

Meanwhile, the Philippine shift in foreign policy can be also seen as a reflection of Duterte's ideological and political beliefs. Indeed, the colonial legacy established with the US in contrast with the President's anti-neocolonial ideology may explain why this "pivot" has taken place and why the desire to be independent and the continuing American control over the country has pushed Manila to start a "pivot away from Washington". This was further emphasized when Duterte suggested ending joint maritime patrols and military exercises with the US in the South China Sea. In a domestically-oriented thinking, Duterte seems to be searching for support from countries that share most of the same priorities on the political agenda and foster its war on drugs. China suits the case and advocates the Philippines' flagship war on drugs embodying the perfect supporter that Manila was looking for. However, the match with Chinese domestic orientation excludes the US' interplay, which is halted by its stance on human rights instead (Pitlo III, 2016).

Therefore, the Philippines' foreign policy shift to China arises a wave of disagreements and concerns on the country's future, especially with respect to Manila's passive role in regaining control of disputed islands and, in particular, the disputed Scarborough Shoal, which was the site of a naval standoff between the Philippines and China in 2012. The array of shades behind the President's decision requires the assessment of such policy to determine whether the intensified ties with China, as the largest trading partner in the region, may be the best solution to pursue Manila's national interests in the long run.

CHAPTER 5

CONCLUSION

This MSc thesis sets out the regional context in the South China Sea by bringing out the Philippines' posture in the contention between China and the US. The analysis of this study also seeks to outline the strategic interests of the different power players in the South China Sea by spotlighting the strategic role of the Philippines.

Considering the Philippines' significance in terms of geography, President Rodrigo Duterte's foreign policy shift to China is strategically important as it may have the potential to alter the geopolitical balance and change the discourse over the South China Sea. If the power and influence that both nations enjoy in the region change, the fabric of regional balance will follow hard on the heels of the setting. Seen as the existing hegemony, the US might risk to lose one of its oldest allies to maintain regional peace and security, while China might engage in a new enticing cooperation with the Philippines, which could be significant geopolitically and financially. As a pawn in the Sino-American duel, Duterte is aware of the country's value in the regional context. Therefore, he seeks to assert national interests by preserving as much independence in foreign policy as he can, and by benefitting as much as he can from both relationships.

Even though Duterte seems to offer an enticing opening for China, there is a wide range of constraints that prevent the Philippines from entirely changing its alliance structure. Perhaps, the main constraint is Manila's lack of strong military power. The Philippines does not have the ability to project military power itself, which leads the country to depend on a mutual defense treaty with the US. The odds that China could protect the Philippines using the same US' level of defense are low due to their territorial disputes. As a record, the incident at Scarborough Shoal highlights the tensions between Beijing and Manila that escalated by claiming sovereignty over the atoll based on historical rights from the former and international law from the latter. However, China is not much interested in defending the Philippines as it is in taking advantage of Duterte's new strategy to push the country to change the balance of power in the South China Sea and its strategic position vis-à-vis the US. Nevertheless, Washington will never accept a change in regional setting and hopes to maintain its status quo and the current alliance structure. Facts at hand, in the long-term, the regional balance might continue to shift

in China's favor as Beijing is building its own reputation upon the resource ownership. China is showing its willingness to help the Philippines to achieve genuine economic modernization, which includes building railways and improving infrastructures in the Philippines. It is then plausible that a continuously ascending China may bait the Philippines to pursue its policy shift to the detriment of Washington.

Focusing on the Sino-US ties, the designed arc of progress between Beijing and Washington is also important to discuss. The two major countries have enhanced specific cooperative programs in order to engage in a more constructive bond and avoid a conflict in the region. Some previous incidents are unlikely to escalate into a major conflict, because there is a lot riding on, including the mutual economic dependence. For example, US corporations rely on China as a huge cheap labor supply and China depends on the US as a major market for its goods. Mutual policies implemented to achieve a more cooperative management of the Asia-Pacific include the "New Type of Major Power Relations", "Community of Common Destiny" and "Rebalance to Asia" which annex neighboring states as well. In fact, an engaging regime might be the only means for managing the South China Sea and activities within it, which could only be achieved when the countries in the region, including China and the Philippines, will change their mindsets from one of sole ownership of resources to one of functional cooperation and cooperative management. Thereby, a framework for a new regime will embrace provisional arrangements, which may include joint management of oil and gas resources, fisheries and so on.

Despite diplomatic meetings and formal agreements to foster more dialogue in the South China Sea, an effective cooperation is likely to face major obstacles. In accordance with the realist theory of international relations, most countries' stance on the South China Sea act in their own self-interest and lack of trust. The issue of trust should cut across all processes of cooperation and confidence building, but some cooperation forms turn to be successful only in case of common interest. In this context, provocative actions only serve to add to distrust and frustrate cooperation. Recent years have seen an escalating spiral of provocation and counter-provocation that has led to increasing strategic distrust between China and the US. This also applies to the Sino-Philippine relations, given the case of Manila launching its arbitration case against Beijing.

In an age of multi-polarity, many states conceive the initiative to build lasting ties with regional partners more beneficial than tying themselves into a single alliance or system of alliances. Cooperative initiatives should be also based on the clear understanding that cooperation can be achieved only without prejudice to sovereignty claims. The Philippines' strategic move of counting on China and the US while safeguarding its national interests may reflect the realistic approach of a rapid development in a multi-polar world. Perhaps more than any current leader of ASEAN states, Duterte is able to frame his political strategy within the mere concern of enhancing the prosperity of the country. He seems to leave behind the ideological concept of alliance and take up the strategy of basing his partnerships on the contribution that each partner can make. In a time where powers change rapidly and their interdependence increases, Manila has started moving its pawn on the regional board. As the world is watching closely, China and the US are speculating about how far this strategy will take.

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