

## Duterte Presidency: Shift in Philippine-China Relations?

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## **Duterte Presidency: Shift in Philippine-China Relations?**

*By Rommel C. Banlaoi*

### **Synopsis**

*The rise of Rodrigo Duterte as the Philippines' new president promises to have an impact on the South China Sea dispute between Manila and Beijing. Will he change Manila's stance towards China or will he be as hardline as his campaign rhetoric suggested?*

### **Commentary**

INCOMING PRESIDENT Rodrigo Duterte appears to be pursuing a paradigm shift in Philippines-China relations. From the previous administration's policy of refusal to hold bilateral negotiation with China to address the Spratly problem, Duterte has expressed his serious intention to resume bilateral talks with China again. If this comes to pass, Duterte promises to be an emerging game changer in Philippines-China relations.

During his presidential campaigns, Duterte already articulated his preference to hold bilateral discussions with China to peacefully manage the South China Sea disputes. Duterte made this stand even if this preference was viewed to be unpopular considering the Filipinos' very low acceptability of China's recent actions in the South China Sea, particularly in the Scarborough Shoal, which is less than 200 km from Subic Bay and which the Philippines claim.

### **Changing Attitude Towards China?**

The Filipino public continues to detest China's assertiveness in the South China Sea through its island building, construction development and facilities improvement in contested areas considered by the Philippines as an integral part of its Exclusive

Economic Zone (EEZ). But Duterte's strong performance at the polls seems to demonstrate Filipinos' approval of Duterte's new approach to the South China Sea problem and Philippines-China relations.

The Duterte presidency could open many opportunities for the improvement of Philippines-China political relations. But Duterte has to be cognisant of two major challenges that might affect his administration's achievement of that goal:

The first is the result of the international arbitration of the South China Sea dispute between the Philippine government and China. The Permanent Court of Arbitration (PCA) at The Hague is expected to render its decision soon. Should the International Arbitral Tribunal not offer the Philippines a total legal victory on the case, even a partial legal victory can yield some political purposes domestically and internationally.

Duterte has the option of using the result of the arbitration as his main political leverage in resuming bilateral talks with China. But there is a strong likelihood that Duterte will not pursue this option, as China will not want to see him raising the arbitration case in the process of resuming any bilateral discussions on the South China Sea disputes.

### **Handling Fallout from Arbitration Tribunal**

As a confidence building measure, it is likely that Duterte will keep mum on the arbitration result and set it aside for the time being while his administration exerts efforts to repair the Philippines' damaged political ties with China. But there is no way for the Duterte administration to withdraw from the arbitration process because of domestic and international considerations.

Domestically, the arbitration case has the approval not only of the Filipino public but also of key national leaders involving past presidents, the senate president, the speaker of the house, justices of the supreme court and concerned department secretaries. Internationally, the international arbitration case has the support of the Philippines' security ally, the United States, and other strategic partners in regional security like Japan, Australia, South Korea, and key members of the European Union.

But if bilateral talks with China fail to bear fruit that will redound to the benefit of the Filipino people, particularly on Filipino fishermen who are greatly affected by sea disputes, Duterte can use the arbitration decision as a fall back option. Thus, China also needs to exert its own efforts in fixing its broken political relationship with the Philippines as it takes two to tango, so to speak.

The second is the implementation of the Enhance Defence Cooperation Agreement (EDCA) with the US. The Duterte administration is duty-bound to implement EDCA considering that the Philippine Supreme Court already declared its constitutionality. Moreover, the Philippines remains as a security ally of the US which views EDCA as a tool to enhance this alliance. While Duterte will not put any obstacle to the EDCA's implementation, his administration will avoid the previous administration's excessive

pro-Americanism of embracing Philippine-American alliance at the expense of Philippines-China political ties.

### **Hedging Strategy**

In the end, the likelihood is that Duterte will pursue a hedging strategy of enhancing security alliance with the US while engaging China economically and politically. This hedging strategy is not unique to Duterte because other Southeast Asian leaders are already doing so. Thailand, for example, continues to be a treaty ally of the US but currently pursues a tactical flirting moment with China for economic reasons.

Indonesia, Malaysia, Singapore and Vietnam are economically interdependent with China so they have enormous interests to maintain good political ties with Beijing being a rising power. But these countries also pursue the need to improve security ties with the US being an established superpower with the only capability of global military deployment.

There is no doubt that Cambodia, Laos and Myanmar have excellent ties with China. But these three countries also welcome the role of the US as a security provider in Asia.

Duterte's inclination to mend the Philippines' political ties with China in order to improve both countries' economic relations is a very pragmatic option considering the country's very long ties with China that dates back to the 10th century. As the fastest rising power of the 21st century with the world's largest foreign currency reserve of US\$3.2 trillion, China can offer the Philippines many economic opportunities that are necessary for the Duterte administration to achieve his campaign promises to improve Philippine infrastructure, enhance bilateral trade, boost tourism, raise employment, alleviate poverty and broaden social services to the Filipino people he has sworn to serve.

### **Reality of Treaty with US**

But Duterte needs to squarely face the stark reality of the Philippines being a formal treaty ally of the US. In fact, this is the only security alliance of the Philippines with other nations. This alliance with the US is a major determinant of Philippine relations with other countries. Unless Duterte opts out of this alliance, the US will continue to be a major driver of Philippine foreign policy.

While Duterte seeks closer ties with China, his administration also needs to see the strategic advantages of continuously enhancing defence ties with the US. The improvement of Philippines-China relations shall be pursued not at the expense of existing Philippine-American alliance. In so doing, the Duterte administration can get the very best of both worlds for the advancement of Philippine national interests.

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