

Realigning a nation: Understanding Duterte's foreign policy shift

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Recent developments between China and the Philippines paint a rosy picture of cooperation that is closer than ever, with Philippine President Duterte's move towards the emerging regional power that postures a foreign policy shift for many is too close for comfort. This article argues that the emergence of China as a political and economic hegemon through its Belt and Road Initiative (BRI), and the ambiguous position of the U.S. in the territorial dispute in Southeast Asia, have influenced the Duterte administration to shift its stance towards a neighbor that seems closer to home. This relationship will be explained through a historical approach that could provide insights as to the possibilities of this connection between the two countries.

Keywords: hegemony, China, ASEAN, Belt and Road Initiative, foreign policy

President Xi Jinping's visit to the Philippines last November 2018 has spurred public outrage among a number of Filipinos. This outrage has been manifested in both online and offline environments, where Filipinos have actively posted photos and memes of Winnie the Pooh in various social media platforms to mock Xi's leadership. Others, meanwhile, conducted public demonstrations outside the Chinese Embassy in Manila expressing opposition against "Chinese imperialism" during the visit. Protesters chanted, "Philippines is not for sale" and denounced the signing of joint investment and exploration deals with China (*The Washington Post*, November 20, 2018).

Prior to Xi's visit, there has already been a growing concern on President Duterte's refusal to uphold and enforce the country's sovereign rights over the South China Sea in spite of the Permanent Court of Arbitration's backing (*The Republic of the Philippines v. The People's Republic of China*, 2016). Duterte promised to defend the disputed islands from the Chinese during his presidential campaign in 2016 but shortly after winning the presidential race, he seemed to have balked at this promise, announcing his "separation" from the United States and declaring that he had realigned with China (*Reuters*, October 20, 2016). For two years Duterte has been very consistent in appeasing China, with pronouncements such as "[I said] China is already in possession [of the South China Sea]. It's now in their hands so why do you have to create frictions... military activity that will prompt a response to China," (*Philstar Global*, November 15, 2018) and "If you [China] want, just make us a province, like Fujian" (*Sunstar Philippines*, March 23, 2018). These pronouncements seem to have reached their realization as Duterte and Xi signed 29 trade and investment deals (*Al Jazeera*, November 21, 2018), in the form of a Memorandum of Understanding (MoU), which included "plans

for joint oil and gas exploration” (*South China Morning Post*, November 20, 2018) in Philippine seas, among others.

Observing the recent developments in Sino-Philippine relations, this article will examine the significations that can be derived from Duterte’s pivot to China in the context of China’s emergence as a regional hegemon in Southeast Asia. Since there already exist vast scholarship that deals with China’s economic rise and its implications for world and regional order change (Harris, 2006; Harvey, 2005; Strange, 2011; Wade, 2003), and much has been said on Duterte’s curious foreign policy shift, this study will contextualize Duterte’s decision in a broader historical spectrum, reading it as an outcome of decades of conflict and conciliation between China and the Philippines. Further, it will demonstrate how China’s current exercise of political and economic dominance in the region, which rests in the larger context of the Belt and Road Initiative (BRI), and the ambiguous U.S. position in the territorial dispute, have influenced Duterte’s foreign policy decision. In the end, in using a historical approach, this research provides insights on the possible trajectories of the pursuance of the latest trade, investment, and joint oil and gas exploration deals between China and the Philippines.

Duterte’s foreign policy shift

Duterte’s foreign policy shift in terms of the country’s political alignment has captured international attention in the past two years. The Philippines has long been a loyal ally to the United States, being a former colony of the latter and a member of the Allied Forces during the Second World War. But in 2016, as the U.S. slammed Duterte’s war on drugs and the prevalence of extrajudicial killings in the country, he, in return, did something which his predecessors never did: he bigheadedly badmouthed an American president, expressed anti-U.S. sentiments, and threatened to ultimately “sever ties with the old colonial power.” (*Reuters*, October 20, 2016). These anti-American statements of Duterte were accompanied by proclamations that he was in “Beijing’s ‘ideological flow’” (*Forbes*, July 26, 2017).

Such pronouncements signaled a new era not only in Philippine politics but also in Southeast Asia and the Pacific in general. To better understand the impact of Duterte’s political maneuvering in the region, one must first answer the question: what role does the Philippines play in terms of determining the tide of global politics? In describing the country’s role in the battle of US and China for global supremacy, Richard Heydarian, an international journalist and a Manila-based defense and security analyst, likened the Philippines to a “crucial ‘swing state’ in Asian geopolitics” (*The Washington Post*, November 20, 2018). According to Heydarian, “The Philippines is potentially Xi’s crown jewel in his foreign policy balance sheet” and claims that “no other Chinese president has come this close to eradicating the Philippines from the U.S. sphere of influence, in terms of optics.” Hence, the historic visit of Xi to the Philippines did not only suggest the realignment of the Philippines to China; some political analysts interpreted it as a message to the U.S. – that Manila is veering away from “Washington’s political orbit” (*CNBC*, November 21, 2018). More importantly, it also signifies the increasing importance of Southeast Asia and the Pacific, as the region has become a “ground zero in the accelerating contest for global influence between Beijing and Washington” (*The Washington Post*, November 20, 2018).

There are no better examples to explain how the region is recently perceived as a “battleground” or “ground zero” other than the story of the territorial dispute in the South China Sea. Apart from

holding a “projected 28 billion barrels of oil, 260 trillion cubic feet of natural gas, and 10% of the world’s fisheries,” this body of water also “hosts one-third of the world’s shipping traffic,” being “the most direct sea-route between Asia and Europe” and “critical for the export and import economies of regional giants China, Japan and South Korea” (*Forbes*, December 19, 2017). Hence, whichever great power gains control of the South China Sea dispute gains control of the flow of capital in the region as well. And with Duterte’s recent foreign policy shift to China, China seemed to have gained control of the South China Sea.

While the most recent development in the territorial dispute in the South China Sea appears to be a new turning point in the history of Southeast Asia as the Chinese claims victorious in the battle for dominance in the geopolitics in the region, a quick trip down memory lane will remind that it was not Duterte who set a precedent in enabling other nations to exploit the resources in that area. In 1988, it was the former Philippine President Corazon Aquino who initiated an agreement with China’s Deng Xiaoping to “engage in joint exploration and exploitation of maritime resources” in the disputed territories in the South China Sea (Storey, 1999, 97). In 1994, the Philippine Department of Energy gave a go signal for the U.S. to conduct oil exploration in the disputed region, which of course, was met by protests from the Chinese government, arguing that it was an “infringement on Chinese sovereignty” and “an infraction of the principle of joint exploration agreed to by Deng and Aquino in 1988” (Storey, 1999, 97). 10 years later, in 2004 the Philippines then again engaged in a similar agreement, with the former President Gloria Macapagal-Arroyo signing a “joint seismic exploration in the South China Sea for possible undersea oil” (Dosch, 2007, 222). This agreement was then called the “Joint Maritime Seismic Understanding,” which the Chinese Foreign Minister Yang Jiechi described as an agreement fitting to China’s preference on addressing territorial disputes “bilaterally and out of the public eye” (Bower, 2010, 2). As the Philippines set an example in “resolving” the territorial dispute in the South China Sea, a few months later Vietnam also joined the “Chinese bandwagon” (Dosch, 2007, 222), signing a tripartite agreement with China and the Philippines in 2005.

Issues surrounding the deals with China, particularly the allegations of corruption in Arroyo’s administration (*ABS-CBN News*, August 29, 2011) and the illegalities of the joint oil and gas exploration (*GMA News Online*, June 15, 2011), have put this multilateral agreement with China on hold. This Chinese setback was extended by the change of administration in the Philippines in 2012. The new administration, under the leadership of former President Benigno Simeon Aquino III, has adamantly pushed for the country’s sovereign rights over the South China Sea. Aside from securing ties with the U.S. and Japan, in 2013 the Aquino administration filed a statement of maritime claim against China in the PCA (De Castro, 2016, 145). The efforts of the Philippines in resisting Chinese expansion in the South China Sea eventually resulted in a victory over China in the international courts. However, this Philippine victory in 2016 was short-lived; Duterte’s victory in polls paved the way to the revival of the joint oil and gas exploration in Philippine waters.

In retrospect, it would be realized that the recently signed joint exploration deal between China and the Philippines is born from a long history of conflict and conciliation between the two countries. Also, other than observing the obvious fact that both countries had persisting mutual interests in exploiting the South China Sea’s natural resources, one could get the picture that China has been, for decades, a consistently dominant force that needed to be reckoned with in terms of foreign policymaking in the region. China’s economic and military supremacy has, without a doubt, affected former Philippine and other ASEAN leaders in deciding on how to act on issues regarding territorial

disputes. As Dosch (2007) explains, China integrates the ASEAN into a regional order and that ASEAN's signing of agreements with China, among others, are indicators of ASEAN's recognition of China's hegemony (231-2). He writes:

Beyond the political rhetoric, the agreement does not reflect core ASEAN values and norms but rather reflects a new strategic setting in which the Southeast Asian claimants compete for the most favourable bilateral or multilateral agreements with China as the driving force behind the creation of regional order (Dosch, 2007, 222).

Thus, amidst all the remarkable efforts of some in resisting China, Duterte's decision to cooperate with China serves as a statement of the latter's hegemony and proves China's capacity to set and dictate regional order. Hence, this phenomenon of managing affairs in ASEAN by "jumping on the 'Chinese bandwagon'" is a recognition of "China's emergence as a regional hegemon" (Dosch, 2007, 231).

"Independent" foreign policy

In telling the history of the South China Sea dispute, it must be noted too that as the negotiations were being held between China and the concerned ASEAN member states, the Chinese have been illegally constructing military structures and facilities in the disputed area. And ever since the discovery of the Chinese built structures on the Mischief Reef, an area within the Philippines' EEZ in 1995 (Storey, 1999, 97), the Philippines has had several periodic conflicts with China in the region, some involving minor skirmishes and show of force. The Chinese presence in the Philippine EEZ has long been an irritant for Philippine presidents, as it poses a threat to the country's exercise of its sovereign rights.

Philippine presidents understood that its inability to defend its territorial claims might result in an absolute loss of sovereign rights in the South China Sea. Because of the lack of resources to effectively militarize (Storey, 1999, 106) and the unwillingness of its neighboring ASEAN member states to confront and antagonize China (Storey, 1999, 108), one logical strategy for the Philippines (as well as those countries that lay claim to some islands in the South China Sea) to counter the aggression of China is to turn to the United States for diplomatic and military support (Kaplan, 2011, 82). But doubts remain if the Philippines will receive American aid in the event of an increased military confrontation with China. In analyzing the U.S. question, Lucio Blanco Pitlo III (2016), a research fellow at the Asia-Pacific Pathways to Progress, writes:

An ambiguous U.S. position (on whether the features and waters on the West Philippine Sea are included in the 1951 PH-U.S. Mutual Defense Treaty or not) and the inadequate transfer of military hardware raises the Philippines' vulnerability. Failure on the part of the U.S. to defuse tensions in Bajo de Masinloc (Scarborough Shoal) in 2012 through simultaneous Philippines-China maritime law and futility of FONOPS in preventing China from completing construction of artificial islands in SCS made Duterte realize the limits of the U.S. role in the country's security, especially when push comes to shove. All these compel Duterte to recalibrate security engagement with the U.S.

In this light, Duterte's "independent" foreign policy – a policy that ends the Philippines' dependence on the U.S. as it shifts its orientation to China – could be better understood. While in the long term it seems that alienating the U.S. would benefit China more than the Philippines, it could also be argued that Duterte's switch did not only prevent the Philippines from finding itself in the middle of a possible catastrophic armed conflict with China but has also put the country in an ideal "geopolitical sweet spot" (*The Diplomat*, April 6, 2017) where the Philippines could have a better chance to advance its national interests. As Renato De Castro (2016) explains, Duterte's "independent" foreign policy is an "equi-balancing policy on China," which is "exemplified by his efforts to harness China to several major infrastructure and investment projects in the Philippines" (156).

Looking ahead: The Philippines under Chinese hegemony

China's recent bid for global supremacy must be taken into account in determining the risks and opportunities in signing loans and trade deals with China. Upon BRI's inception, China's expansion has been met with several criticisms. The dread stems from the imperialist tendencies of BRI, particularly on how it is used by China in its "debt-trap diplomacy." Through this kind of diplomacy, China asserts its power and influence overseas by bankrupting its partner nations (*The Washington Post*, August 27, 2018). As poorer nations struggle to pay their debts to China, the more they tend to collateralize their resources and rights, and the more they become vulnerable to bending to China's will, as was the case in Sri Lanka, Tajikistan, Pakistan, Venezuela, and Montenegro.

The timing could not have been more perfect for Xi to crack a tough nut like the Philippines. When Duterte took office, he expressed that his "Build, Build, Build" infrastructure program will be the "centerpiece" of the administration's domestic policy. This domestic policy is aimed at making the country more economically competitive by building ports, airports, roads, or railways with the hopes of uplifting "the lives of millions of Filipinos" (Department of Finance, January 23, 2018). This modernization project, as the DOF also explains, anticipates national spending of US\$158 billion over the next five years. However, the question is, where will the funding for this ambitious project come from? It is at this point where China becomes involved in Duterte's domestic policy. The signing of the recent deals with China marked the beginnings of Chinese-funded infrastructure programs under the Duterte administration.

Anders Corr, a Ph.D. in Government graduate of Harvard, expressed his concerns about an impending loan from China. In an article he wrote in *Forbes* in May 2017, Corr explains that Duterte's infrastructure program will push the current Philippine national debt of approximately US\$123 billion to US\$290 billion, an amount that is yet to include the interest rate, which will be imposed by China in the occasion that they extend loans to the country. Echoing Corr, *ASEAN Today* notes that even if China follows the recommended rate of interest for the Philippines, which is at 5%, the Philippines will still witness an increase in the national debt of US\$275 in 10 years. In the end, it is feared that Chinese loans "will put the Philippines into virtual debt bondage if allowed to proceed" (*Forbes*, 2017).

Summing up, a closer examination of the situation created by China in the South China Sea for decades, as well as the ambiguity of (Storey, 1999, 109) and lack of "unequivocal assurance" from the U.S. to aid the Philippines in the event of an actual military confrontation with China (Ibarra, 2017), give us a broader picture of the context in which Duterte had to decide on matters concerning territorial disputes and allegiance. Given the hegemonic intentions of China, Duterte's pivot to China

could be understood as a strategy to at least “benefit” from a disadvantageous collaboration with China. In spite of the loud opposition of some Filipinos to the strengthening of the Sino-Philippine relationship through trade, investment, and joint oil and gas exploration deals, it appears that the tenacity of Chinese pressure in the South China Sea, as well as the temptations of massive loans that could fuel Duterte’s “Build Build Build” infrastructure program, have all contributed to the realization of a pro-China government in the Philippines. As Xi Jinping simply puts it: friendship with the Philippines is the only right choice.

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