TENSION IN THE SOUTH CHINA SEA: WHY THE PHILIPPINES IS CHALLENGING CHINA’S IMPROVED MILITARY MIGHT

by

Kristofer L. Yost

December 2013

Thesis Advisor: Michael Malley
Second Reader: Alice Miller

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Since 1995, the Philippines has had several disputes with the People’s Republic of China (PRC) over territory in the South China Sea (SCS). Between 1995 and 2010, Manila adopted policies with the PRC centered on accommodation and improving diplomatic relations with Beijing. After the election of President Benigno Aquino in 2010, the Philippines became more aggressive in its policies towards the PRC, and it has made more efforts to counter Chinese aggression than to accommodate Beijing. The Aquino administration has made military modernization, especially in regards to its naval capabilities, a top priority. In addition, Manila has also attempted to strengthen its security relationship with the United States significantly. What are the reasons for this change in policy? Through the analysis of Philippine policy decisions between 1995 and 2010, and policy decisions after the election of President Aquino, this thesis attempts to answer the question: Why has Philippine policy towards Beijing’s aggression changed since 2010?
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Kristofer L. Yost
Lieutenant, United States Navy
B.A., University of Akron, 2006

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Author: Kristofer L. Yost

Approved by: Michael Malley
Thesis Advisor

Alice Miller
Second Reader

Mohammed Hafez
Chair, Department of National Security Affairs
ABSTRACT

Since 1995, the Philippines has had several disputes with the People’s Republic of China (PRC) over territory in the South China Sea (SCS). Between 1995 and 2010, Manila adopted policies with the PRC centered on accommodation and improving diplomatic relations with Beijing. After the election of President Benigno Aquino in 2010, the Philippines became more aggressive in its policies towards the PRC, and it has made more efforts to counter Chinese aggression than to accommodate Beijing. The Aquino administration has made military modernization, especially in regards to its naval capabilities, a top priority. In addition, Manila has also attempted to strengthen its security relationship with the United States significantly. What are the reasons for this change in policy? Through the analysis of Philippine policy decisions between 1995 and 2010, and policy decisions after the election of President Aquino, this thesis attempts to answer the question: Why has Philippine policy towards Beijing’s aggression changed since 2010?
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<td>Armed Forces of the Philippines</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>EEZ</td>
<td>exclusive economic zone</td>
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<td>CUP</td>
<td>Capability Upgrade Program</td>
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To my parents, Gary and Sandy, and my brother Zak, I thank you for all you have done for me over the past 30 years, and none of the success I have had in life thus far would have been possible without you.
I. TENSION IN THE SOUTH CHINA SEA: WHY THE PHILIPPINES IS CHALLENGING CHINA’S IMPROVED MILITARY MIGHT

A. MAJOR RESEARCH QUESTION

Since 1995, the Philippines has had several high-profile confrontations with China over Beijing’s expansion into the South China Sea (SCS) and occupation of territories claimed by the Philippines. Following the 1995 incident at Mischief Reef, Philippine foreign policy toward the People’s Republic of China (PRC) generally emphasized diplomatic engagement and economic cooperation instead of confrontation over territorial disputes. 1 While the Philippine government chose to engage China diplomatically rather than through confrontation, it also attempted to rejuvenate its security ties with the United States. However, despite facing an increased threat from China in the SCS, the Philippine government also chose not to allocate funds sufficient to maintain a capable military force.

Since the election of Benigno “NoyNoy” Aquino III as president in 2010, a significant change in Philippine policy has occurred in response to renewed Chinese aggression in the SCS. Under Aquino, the government has made significant efforts to modernize its military, especially its naval capabilities. His government has also made a greater effort to strengthen its relationship with the United States to improve the country’s security and its ability to protect the territories it claims in the SCS. Where previous administrations avoided public statements that could provoke the Chinese, Aquino’s government has not shied away from making statements that directly challenge Chinese aggression.

Therefore, a significant difference exists in Philippine policies toward China in the periods before and after Aquino came to power. The question this thesis attempts to answer the following. Why has Philippine policy towards Beijing’s aggression changed since 2010?

B. IMPORTANCE

In an interview by the National Bureau of Asian Research, Ian Storey, who is an expert on Southeast Asia’s relations with the PRC, stated, “today, tensions in the South China Sea are higher than they have ever been since the end of the Cold War.” The tension in the SCS is due to the Chinese expansion into areas and territories claimed by other Southeast Asian nations. The tensions in the SCS have increased since 2010, when “China stepped up its paramilitary and military activities in adjacent waters, pressing its territorial claims with a new sense of vigor and destiny.”

With the change in Manila’s policy since 2010 in favor of a more assertive approach towards the PRC, increased potential for an outbreak of violence in the SCS is possible and Beijing moves in on more claimed territories. In addition, the region is now set for the rejuvenated entrance of the United States, as Washington shifts its focus to the Asian region. With tensions already high, the American presence injects another player into the SCS disputes. With the U.S.-Philippine security relationship as close as it is, any conflict that involves the Philippines and the PRC may lead to American involvement and will see the United States and Beijing facing off in the region.

C. PROBLEMS AND HYPOTHESES

When faced with aggression from the PRC in the post-Cold War period, Southeast Asian countries have generally chosen to engage Beijing and avoid actual confrontation. This point is made by Amitav Acharya, who writes that Southeast Asian countries have managed their relations with Beijing by “eschewing a confrontational policy towards China, notwithstanding many contentious territorial and economic issues.

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3 Heydarian, “U.S. ‘Pivots’ on the Philippines.”
in their relationship.” Avoiding confrontation with the PRC was also Manila’s choice until Aquino’s inauguration as president in 2010, when the Philippines’ approach to managing its relations with the PRC changed.

Thus, why has the Philippine policy towards dealing with PRC aggression changed? Three explanations are possible. The first explanation could be that Manila’s perception of the threat has changed: President Aquino perceives the PRC threat differently than his immediate predecessors, and therefore, he has changed the country’s policy toward the rising power. The second is that the size of the threat has changed. Beijing has simply become too aggressive in its SCS claims, and the Philippines is now forced to counter Beijing’s expansion into its claimed territories. The third explanation is that the Philippines can count on increased support from the United States to resist Chinese pressure. With Washington focusing more on Asia since 2010, and planning to allocate more forces to the region, Manila may feel that it can be more assertive in defending itself against Chinese encroachment. If conflict were to occur between China and the Philippines, Manila would be able to rely upon American forces for support.

Currently, a large body of information and analysis available assesses and documents disputes between the PRC and the Philippines in the SCS. However, analysis assessing why the Philippines has changed its approach to PRC aggression since 2010 is lacking.

D. LITERATURE REVIEW

The Association of Southeast Asian Nations (ASEAN) has been and is currently dealing with the rapid growth of Chinese power. The overarching response from the ASEAN countries up to this point has been to avoid confrontation with the more powerful PRC, and instead, adopt a policy of engagement through multilateral diplomacy. Southeast Asian countries have also moved to modernize their militaries through increased defense budgets and purchases of military equipment from other countries. Some in the ASEAN community also look for superpower support from the

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United States to strengthen their security ties and their relationship with Washington. Even though Southeast Asian countries have had territorial disputes with Beijing, the nations have avoided adopting policies toward the PRC that could be seen as aggressive or confrontational. The ASEAN countries are wary of the PRC’s growing power and do not desire to align themselves strategically with it. Instead, Acharya writes, “they see their interests better served by a policy of engagement.”

One serious concern for the ASEAN community is PRC expansion into the SCS, which it believes is potentially a major “flashpoint of conflict in post-Cold War Southeast Asia.” The Chinese encroachments into the SCS have an impact on more than one member of ASEAN, and, in keeping with their tendency to avoid confrontation with Beijing, they have worked as a group to engage the PRC. In 2002, the PRC and ASEAN signed a declaration on a code of conduct in the SCS that called for each party to “exercise self-restraint in the conduct of activities that would complicate or escalate disputes and effect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner.” This agreement illustrates ASEAN’s desire to engage Beijing diplomatically in concert rather than confronting it with force.

Also, bilateral agreements between Beijing and Southeast Asian countries demonstrate the latter’s preference for diplomacy over confrontation. Vietnam has experienced several disputes with the PRC in the SCS. In 1993, Vietnam chose to deal diplomatically with Beijing, and both countries agreed to the “non-use of force and to refrain from any action which might worsen relations.” Sino-Vietnamese-relations were strained again in 2005, when nine Vietnamese fishermen were killed by Chinese security forces in a disputed area in the Gulf of Tonkin. Then, in May 2011, it was reported that

5 Ibid., 1.
6 Ibid., 2.
8 Ibid., 159.
9 Ibid.
Chinese patrol boats had “deliberately cut a seismic cable being towed by a survey ship in waters claimed by Vietnam.”10 Again avoiding confrontation, the Vietnamese worked with the PRC diplomatically, and one month after the cutting of the seismic cable, the countries proclaimed that they agreed to “peacefully resolve their maritime disputes through negotiations and friendly consultations.”11 Hanoi also used diplomacy to settle a land border dispute with Beijing, and signed the Land Border Treaty in 1999. Vietnam is a good example of a Southeast Asian country desiring diplomacy over confrontation. Even after nine Vietnamese fishermen were killed, Hanoi still sought to work with Beijing through diplomatic means.12

Aside from the PRC actions in the SCS, ASEAN is also faced with the underlying issue of the PRC’s rising military power. One way in which the ASEAN nations have responded is by increasing their defense budgets. Indonesia, for example, doubled its defense spending between 1998 and 2004. The Malaysian government increased its defense spending by over a billion dollars between 2001 and 2003.13 The ASEAN nations also started upgrading their military arsenals through purchases from other governments. The Indonesian military purchased SU-27 and SU-30 fighter jets, submarines, attack helicopters, and land systems. Singapore bought 12 new F-15SG fighter jets from the United States, Malaysia purchased a submarine from France, and Singapore acquired a submarine from Sweden.14

In addition to upgrading its military capabilities, Singapore moved to tighten its relationship with Washington after the United States removed its forces from the


13 Acharya, Constructing a Security Community in Southeast Asia, 161–162.

14 Ibid., 163.
Philippines. In 1989, it offered to provide military facilities to the United States, and eventually signed a memorandum that allowed American aircraft and military personnel in Singapore. The relationship grew even tighter in 1992 when an agreement was reached that “relocated a major naval logistics facility responsible for port calls and resupply for U.S. navy ships and coordinating warship deployments in the Pacific region from Subic Bay to Singapore.”

Other reasons for ASEAN countries to improve their militaries exist, but Acharya points out that the improvements “have also been inspired by the rise of Chinese military power.” Through these material improvements and superpower relationships, the ASEAN community is better able to project power, but its capacity to do so is still minimal compared to the PRC. These countries desire diplomacy with Beijing over confrontation and their ability to project some power may allow them a better chance in diplomatic negotiations.


Beijing’s interest in the islands of the SCS is not something that has emerged recently. While the Chinese claims in the SCS go back more than 100 years ago, their disputes with the Philippines came to a head in 1995. Ross Marlay provides a detailed account of the 1995 dispute, which began after a Filipino fisherman reported that he had been detained for a week by the Chinese. In response, Manila sent a reconnaissance aircraft to take photographs of the reef, which revealed “four octagonal structures, resembling guard towers, with a satellite dish.” The PRC reported that they were wind shelters, but that did not stop the Philippine Navy from destroying stone markers that it also discovered on Mischief Reef while eight Chinese vessels were in the area.

Even though the Philippine Navy destroyed stone markers at Mischief Reef, the response from the Philippine government to what Acharya calls “the first encroachment by China into an area claimed by an ASEAN member” was to avoid confrontation with

15 Ibid., 221
16 Ibid., 161, 163.
18 Ibid.
Following the 1995 incident, President Fidel Ramos’ administration adopted policies similar to those of President Aquino in 2010, and leaned on the United States by signing a visiting forces agreement in 1998. The Philippines also began conducting joint military exercises with the United States, which were “aimed at improving interoperability and readiness, and building professional relationships among the two military forces.”

This type of alignment with the United States was similar to that of the Singapore agreements in the early 1990s and strengthened Philippine security.

Under the leadership of President Gloria Macapagal Arroyo, Philippine policy toward China became more accommodating and focused more on strengthening diplomatic relations. President Arroyo placed improving diplomatic relations with the PRC as a top foreign policy priority in the early 2000s. Arroyo set out to tighten Manila’s economic relationship with Beijing and to bring about a cordial relationship between the two countries.

An example of Arroyo’s administration trying to improve relations was the signing of an agreement called the Joint Marine Seismic Undertaking (JMSU) in 2004. A second JMSU, which included the PRC and Vietnam, was signed in 2005. The objective of the joint pact was pre-exploration activity to assess petroleum resource potential in the SCS. The 1995 incident clearly saw the Philippines being confronted by the Chinese, to which the Philippine government responded, as other ASEAN countries had before, by working to improve its diplomatic relations with the Beijing.

One area in which the Philippine response to the Chinese challenge in 1995 differed from other ASEAN countries was in a lack of military modernization. During the Ramos administration, the Philippine government sought to improve the state of its military in 1996 by passing a defense modernization bill, but the Asian financial crisis prevented the government from actually modernizing. During the Estrada and Arroyo presidencies, between 2000 and 2008, the defense budget only rose $70 million, from

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20 Ibid., 222.
$850 million to $920 million. Regarding this failure to increase military funding, Ian Storey writes, “despite assistance from the United States, the Philippines’ ability to provide for external defense and uphold its claims in the South China Sea is likely to remain weak for the foreseeable future. The government has not devoted sufficient resources to the armed forces for it to replace obsolete equipment.”

While other ASEAN countries moved to improve their own militaries, the Philippines failed to do so, which left its military dilapidated and ineffective.

In most respects, the Philippine response to the Chinese confrontation in 1995 was not out of the ordinary for a Southeast Asian country. Manila strengthened its relationship with the United States and attempted to improve its diplomatic relations with China. The one area in which it differs is that it chose not to allocate sufficient funds to modernize the military.

2. 2010: A Turning Point

A fundamental shift in Philippine policy towards the PRC began in 2010, when Senator Benigno Aquino was elected president of the Philippines. The election of Aquino led the Philippines to adopt a more assertive stance towards the PRC, and he shifted away from the policies by the Arroyo administration geared towards accommodating Beijing.

The contrast in policies between Arroyo and Aquino would be seen in when tensions between the Philippines and the PRC flared up again in 2012 over the disputed Scarborough Shoal. According to Jane’s, the Philippine Navy attempted to “intercept Chinese fishing vessels suspected of illegal fishing, but CMS (Chinese Marine Surveillance) vessels intervened,” which led to both sides refusing to depart the area for weeks.

In June 2012, tensions escalated further when Filipino fishermen reported that Chinese vessels were delivering building materials near the reef. Recalling the 1995 incident that involved the building of wind shelters by the Chinese, Manila was

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concerned these materials would be used to construct similar structures near the Scarborough Shoal. The tensions escalated further in July, when Philippines Foreign Affair Undersecretary Erlinda Basilio accused the Chinese of blocking the entry to the lagoon at the center of the Scarborough Shoal with “nets, rope, and dinghies.” The 2012 incidents between the PRC and the Philippines are very similar to those experienced in 1995, but the response of the Philippine government since 2010, and to the 2012 incidents in particular, departed from previous Philippine reactions.

One explanation for the change in policy towards the PRC may be the way in which President Aquino perceives the threat from Beijing in contrast to his predecessors. Arroyo may not have perceived the threat as strongly as Aquino and believed that Manila could diffuse the tensions through diplomacy, whereas Aquino has seen the PRC aggression as a severe threat that cannot be resolved through diplomatic means. One example that clearly shows the contrast between President Aquino’s stance on Chinese aggression in the SCS and previous administrations is Aquino’s dislike of the JMSU pact. Where Arroyo viewed the JMSU as a policy that would improve Sino-Philippine relations, Aquino cites the pact as one of the causes for the increased Chinese aggression experienced in the SCS. Aquino’s administration believes that Beijing only began to claim non-disputed areas after the JMSU. A presidential spokesperson has thus stated, “the JMSU provided an opening for the Chinese to claim.” The belief that JMSU opened the door for the PRC to move in on Philippine claims is not just political rhetoric. By entering into the JMSU, Manila provided legitimacy to Chinese claims in the SCS, and Barry Wain points out that the Philippines even agreed to joint surveys in parts of its legal continental shelf not being claimed by Beijing.

The Philippines has also ramped up its rhetoric pertaining to the PRC and the SCS since Aquino took office. In his 2011 state of union address, President Aquino, referring

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25 Rosamond, “Surface Tension: Rivals Jostle in South China Sea.”
26 Sabater, “Palace: JMSU Worsens Spratlys Dispute.”
to the SCS, said, “what is ours is ours.”

That declaration encompasses the current Philippine position towards Chinese encroachments in the SCS. Most recently, on May 24, 2013, when a Chinese warship was operating near a reef occupied by Filipino marines, the Philippine defense secretary stated, “to the last soldier standing, we will fight for what is ours.” This type of rhetoric, which asserts a Philippine vow to counter Chinese aggression directly, was not characteristic of Manila’s posture under previous administrations.

Another explanation that may explain Manila’s change in policy towards the PRC is that the size of the threat has changed and the Philippines must now strengthen its military capabilities to deter future PRC aggression. A 2011 special report by the National Bureau of Asian Research discusses the PRC’s growing military power. The authors of the report write, “China’s defense budget is the highest in Asia and second only to the United States globally. The pace and scope of PLA modernization, especially with regard to the PLA Navy, are changing the strategic context of the dispute, increasingly placing China in a much stronger position to uphold its sovereignty claims and, if necessary, pressure the other disputants.”

President Aquino’s government has made military modernization a priority, which, as previously discussed, was not the case before he came to office. In March 2011, the Philippines invested $183 million to purchase patrol ships, an air defense radar system, and patrol aircraft, which will be used around the Spratly Islands to defend its claimed territory.

Then, on May 22, 2013, the Philippines Daily Inquirer reported that President Aquino was allocating $1.8 billion to improving the Filipino Navy. The money, according to the report, is intended to “help

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defend the country’s maritime territory against ‘bullies,’ amid an ever-worsening dispute with China.”32 Speaking to the naval chiefs, Aquino stated, “we have a clear message to the world: The Philippines is for Filipinos, and we have the capability to resist bullies entering our backyard.”33 The readiness and capabilities of Philippine military when Aquino took office were dismal, but his administration has made it a priority to dedicate funds to improve its standing. The Philippines is going to need a drastic improvement in its military capabilities because, as M. Taylor Fravel points out, “China now possesses greater capabilities to defend its claims and has been more willing to use these capabilities, especially since 2009.”34

A third explanation for the Philippines’ change in policy is that Aquino’s government believes it can count on increased support from Washington. Although Manila sought U.S. support following the 1995 Mischief Reef incident, Washington made it known to the Philippines that it would not come to its aid if conflict over the reef occurred.35 President Aquino’s administration has made more of an effort to tighten the relationship with the United States, and the more aggressive approach appears to be paying off. The Philippine military, especially the navy, is largely outmanned by the more capable Chinese military, which has led Aquino to turn to his American ally. Ernie Bower and Prashanth Parameswaran write, “the Philippines has realized it is outmatched militarily and mounted an ambitious defense modernization program. It has looked to Washington for help and is likely to seek further assistance, both in terms of more military hardware and facilitating discussions with other U.S. allies.”36 The Philippine goal of a strengthened security relationship with the United States may be helped along as the United States pivots to Asia. Already, the Philippines has acquired two American

33 Ibid.
Coast Guard cutters, and Manila has secured an increased American military presence by agreeing to host U.S. ships and forces on a rotational basis. The Philippines has also welcomed the arrival of the nuclear submarine *USS North Carolina* to Subic Bay. No doubt exists that the Philippines is making an obvious effort to strengthen its relationship with the United States; a move that will improve Philippine security and allow it to better defend its claimed territories under threat from PRC expansion into the SCS.37

A significant contrast has thus emerged between President Aquino’s response to Chinese aggression and those of his predecessors, especially Arroyo. Manila’s rhetoric with regard to SCS disputes with Beijing has become tougher, and Aquino has not made any high profile attempt to improve Sino-Philippine relations as was done in the past, and Aquino has even come out against diplomatic endeavors like the JMSU. The government has significantly increased the amount of money it dedicates to military modernization, and is attempting continually to strengthen its relationship with the United States. Taken individually, these policy changes may seem insignificant, but when analyzed as a whole, it may be that the Philippines policy of engaging Beijing when confronted has now shifted towards a more aggressive stance towards the PRC.

### E. METHODS AND SOURCES

To answer the question why has Philippine policy towards Chinese aggression changed since 2010, this thesis analyzes in detail Philippine policy toward the PRC from 1995 to 2010, and then Philippine policy towards Beijing since 2010. The first case study documents Sino-Philippine disputes during that 15-year period. It then analyzes the Philippine response to those incidents and how the Philippines managed its relations with Beijing. It draws on Asian newspapers, online journals, speeches, interviews, and comments made by government officials.

The second case study focuses on the same issues in the period since 2010. In drawing contrasts between the two periods, the concluding chapter also evaluates the three possible explanations as to why the Philippines changed its policy for responding to Chinese aggression.

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37 Heydarian, “U.S. ‘Pivots’ on the Philippines.”
F. THESIS OVERVIEW

Chapter I describes the research question and hypotheses. It includes a brief section that illustrates how Southeast Asian nations have generally responded to Chinese aggression. Chapter II contains a case study that focuses on the 1995–2010 period and includes analysis of the Sino-Philippine disputes and how the Philippines responded. Chapter III offers the second case study focused on the events and trends since 2010. The final chapter draws conclusions and trace out the implications of the change in Philippine policy in terms of managing relations with Beijing.
II. CASE STUDY: PHILIPPINES 1995–2010

This chapter analyzes Philippine responses to Chinese encroachments in the SCS from 1995 to 2010. The first section of the chapter looks at the incidents, which occurred between the PRC and the Philippines in the SCS during this time. It then examines the reactions and policy decisions made by the Philippine leadership in response to these incidents. Included in that discussion is Manila’s attempt to improve the Sino-Philippine relationship through diplomacy and agreements for economic cooperation. It also looks at Manila’s failed attempt to increase its defense budget significantly and its decision to try to strengthen its defense relationship with the United States.

This chapter is key to the analysis and arguments made in the conclusion of this thesis. To show that the Aquino Administration has significantly changed its policies towards the PRC, a detailed understanding of the policies implemented prior to his administration is necessary.

A. DISPUTES IN THE SCS

Between 1995 and 2010, the Philippines had a couple of significant confrontations with the PRC in the SCS. First, in January 1995 a Filipino fisherman reported to the Philippine government that he had been detained at Mischief Reef for one week by the Chinese. In response to the report, the Philippines sent aircraft to investigate the area, which led to the discovery of four octagonal structures and a satellite dish. President Ramos’ administration believed the octagonal structures resembled guard towers, but after Manila released the photos, the PRC claimed the structures were wind shelters that had been built by fishermen. The structures, which Ross Marlay says were “certainly intended to be a physical declaration of Chinese sovereignty,” were deceptively constructed by the PRC because they were built during the monsoon season when the Philippine navy was not patrolling the area.38 During this time, the Philippine Navy, in the presence of eight PLAN vessels, destroyed Chinese-built stone markers that

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38 Marlay, “China, the Philippines, and the Spratly Islands,” 204.
were placed around the reef (see Figure 1). Similar structures were built by the Chinese on Subi Reef, which according to the Philippines, were modified to become a three-story fort equipped with anti-aircraft guns and helicopter landing platforms (see Figure 2).³⁹

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³⁹ Marlay, “China, the Philippines, and the Spratly Islands,” 204.

The most violent clash between the PRC and the Philippines came in January 1996, when a 90-minute gun battle occurred between three Chinese naval vessels and Philippine naval vessels near Campones Island. Then, in April 1997, eight Chinese vessels were seen operating in the area around Mischief Reef, and along with the vessels, a new structure had been discovered six miles from the Philippine island of Kota. Also in April 1997, the Philippine Navy confronted two Chinese State Oceanic Administration vessels operating near the Scarborough Shoal. In response to the Philippine confrontation, the Chinese vessels, which were carrying amateur radio enthusiasts planning on making a broadcast from the reef, informed the Philippine Navy that the PRC claimed the Scarborough Shoal as its territory.

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41 Rosamond, “Surface Tension: Rivals Jostle in South China Sea.”
In 1998, another Sino-Philippine dispute in the SCS arose once again over PRC built structures on Mischief Reef. In October that year, the Philippines released photographs of Chinese vessels moving construction materials at the reef. It was discovered later through photographs taken of the reef that the PRC had built a large building, which was adjacent to the original octagonal structures discovered in 1995, and were followed by the discovery of even more Chinese construction on Mischief Reef in 1998 and 1999.44

These encroachments by the PRC into the SCS could be seen as a significant indication of Beijing’s intentions in the SCS. Mischief Reef, where many of the altercations occurred, is well within the Philippines Exclusive Economic Zone and more than 1,000 miles away from the PRC.45 According to the 2013 Annual OSD Report to Congress on “Military and Security Developments Involving the People’s Republic of China,” senior Chinese officials “have identified protecting China’s sovereignty and territorial integrity as a ‘core interest’ and all officials repeatedly state China’s opposition to and willingness to respond to actions it perceives as challenging this core interest.”46 The same report goes on to say that the Chinese government “maintains that its maritime rights extend to virtually the South China Sea.”47 It has been and is a challenge for the Philippine government to respond to the PRC’s claims. The next section addresses the Philippine responses to what Ian Storey calls China’s “creeping assertiveness.”48

B. PHILIPPINE REACTIONS: 1995–2010

The PRC significantly violated Philippine sovereignty in the SCS in the mid- to late 1990s. Even after the Philippines discovered Chinese structures, markers, and naval activity on around its maritime claims, the responses and policies adopted by Manila during this time were rather weak.

44 Marlay, “China, the Philippines, and the Spratly Islands,” 204.
47 Ibid.
48 Storey, “Creeping Assertiveness: China, the Philippines and the South China Sea Dispute,” 99.
1. Manila Looks to the United States for Security Support

The strongest policy the Philippines adopted in response to Chinese aggression in the SCS was the move to strengthen its relationship with the United States during the Ramos administration. The United States had played a significant role in supporting the Philippines external security until 1991, when the Philippine Senate voted 12–11 against a new bases agreement that had been signed by Manila and Washington. After the Senate voted down the agreement and ash from the volcanic eruption of Mount Pinatubo made Clark Airbase unusable, the United States turned over the air base and then eventually removed its naval forces from Subic Naval Base.49 External security was a significant priority for Ramos, and he did not agree with the Senate vote to end the bases agreement. With the physical departure of U.S. forces from the Philippines, Ramos “hoped that the presence of U.S. forces in other parts of Asia would help ensure regional stability, and provide a limited security umbrella for the Philippines.”50

With the departure of U.S. forces from the Philippines, Manila lost a vital piece of its external security. The Philippines was now severely constrained in its ability to counter a significant external security threat, a fact that Manila realized following the events at Mischief Reef in 1995. As Renato Cruz De Castro writes, “this incident (Mischief Reef) stirred the country into sounding the alarm over what it perceived as China’s expansionist and hegemonic designs in the South China Sea.”51 The Chinese aggression in the SCS led the Philippines to begin negotiations with the United States to establish a new Status of Forces of Agreement (SOFA) in 1996. The proposed SOFA created a surge in domestic criticism in the Philippines, as critics argued that this agreement would lead the way to the United States once again occupying Clark and Subic. The domestic pressure, however, was not enough to stop Manila from continuing to work with the United States to form a new security relationship.52

51 Ibid., 413.
52 Ibid., 415.
Despite the domestic concerns, the Philippines entered into a new Visiting Forces Agreement (VFA) with the United States on February 11, 1998. In 1999, the Philippine Senate ratified the VFA, which became a critical piece in reviving the U.S.-Philippines security alliance. Speaking about the signing of the VFA, De Castro states, “ten years after the last American marine left Subic naval base, Philippine national leaders had to confront the stark reality that preserving the strategic equilibrium in East Asia depended on U.S. bilateral security commitment and on maintaining a balance of power based on American forward deployment in the region.”53

Although constitutional challenges still exist, which limit U.S. support, especially regarding permanent bases, the VFA signed in 1999 began a rejuvenated security partnership between the United States and the Philippines. One of most significance is that the VFA allowed the two countries to begin conducting joint military exercises in the region. In 2002 alone, the United States and the Philippines participated in 15 joint exercises, which included Balikatan-02-01, where 4,385 Philippine and U.S. troops conducted counterterror exercises.54 Joint exercises were also aimed at projecting maritime power in the region, and specifically, islands involved in the SCS disputes. The U.S. Navy and the Philippines conducted amphibious exercises near the Spratly Islands, which China along with Manila, claim as their territory. In 2004, the joint air exercises were conducted at the previously U.S. occupied Clark Air Base.55

Also of significance is that the VFA increased military aid that the United States contributed to the Philippines. Between 2001 and 2005, U.S. military assistance to the Philippines went from $1.9 million U.S. dollars (USD) to $126 million (USD).56 The military assistance continued to increase throughout the 1995–2010 period, and in 2009, towards the end of the time discussed in this chapter, the Philippines received the largest amount of International Military Education and Training funds in East Asia and the

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53 Ibid., 416.
54 Ibid., 418; Heydarian, “U.S. ‘Pivots’ on the Philippines.”
56 Ibid.
Pacific. Also, in 2009, Manila received the 12th highest amount U.S. foreign military financing in the world.\textsuperscript{57} While the VFA set in motion by the Ramos administration was focused on external security concerns, the aid the Philippines received under Arroyo came during a time when internal security was the main focus. Although Arroyo wanted U.S. support, her focus was on internal security and the aid from the United States was directed towards counter-terrorism, and not defending Philippine territorial claims against China.\textsuperscript{58}

While monetary assistance is important, it the Philippines has benefited from the improved security alliance in other ways. In addition to the economic support for defense Manila received from Washington, it also received actual military hardware. Between 2002 and 2009, the Philippines received 28 UH-1H utility helicopters. It also was the recipient of one Cyclone Class patrol craft, and over 30,000 M-16 automatic rifles. According to Amitav Acharya, the Philippines also received C-130 Hercules transports.\textsuperscript{59} Again, although the Arroyo administration sought U.S. support and the United States provided it, the aid was directed towards internal security and not countering Chinese aggression in the SCS.

Following the 1995 Mischief Reef crisis, Manila was desperate for security assistance, and it turned to its old friend, the United States. The Philippines was in even stronger need of the U.S.’ military support due to its failure to invest adequately in the modernization of its own military. The next section discusses this failure. One major factor to keep in mind about the U.S. aid the Arroyo administration sought and received was that its focus was internal security threats, namely counter-terrorism. The Ramos


administration, like the Aquino administration, held external security as a top priority and signed the VFA to bolster the Philippines’ external security capabilities after the departure of U.S. forces.

2. Military Modernization and Funding

To maintain a military force capable of defending a state’s security and preserving its sovereignty, the government must allocate sufficient funds to defense. Although the Philippines had seen the PRC encroach into its exclusive economic zone (EEZ) and claim territories during the 1990s, the leadership in the government was unable to fund its defense force adequately.

The most significant attempt to modernize the Philippine military between 1995 and 2010 came under Ramos in 1995, when in February of that year, the Philippine Congress passed Republic Act No. 7898, which allowed for the modernization of Philippine armed forces. The law was passed as a 15-year program that enabled the military to replace existing weapons systems with more modern military equipment so that the Philippines could establish a military with external defense capability. The plan earmarked funds that would be used to purchase two squadrons of fighter aircraft and surface-to-air missile and gun systems. Also, through 7898, the Philippine Navy would be able to purchase three frigates, a half dozen corvettes, 12 offshore patrol vessels and missile boats, nine helicopters and six fix-winged aircraft.⁶⁰

Although the law passed, 7898 was implemented with numerous bureaucratic and legal requirements the military would have to meet to use the funds, as the Philippine Congress’ approval was required for any arms modernization program. To complicate the issue further, the congress was stuck in a debate for almost two years over whether or not the country could afford the modernization program. Even though the Philippine military told the congress it could not improve the military’s capabilities, the congress determined that the military would have to settle for a significantly less amount of funding.⁶¹

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⁶¹ Ibid., 411.
In 1996, after the military and congress finally reached a compromise, the congress passed joint resolution no. 28, which authorized the modernization program. Again though, the law was very stringent and required “the defense establishment to submit to Congress an annual report of the AFP’s (Armed Forces of the Philippines) program implementation, along with ‘estimated expenditures and proposed appropriation consistent with national security policy laid down by the Philippine Congress.’”\(^{62}\) After Mischief Reef, it should have become clear to the Philippine government that its defense forces were severely degraded. So why, then, was the modernization bill forced to clear so many hurdles for it to be implemented? De Castro states that “the slow and tedious passage of the law and the approval of the modernization plan demonstrate the Philippine political elite’s general reluctance to drastically increase the AFP’s budget, and their general distrust of the Philippine military when it comes to financial transactions.”\(^{63}\)

The long drawn out passage of the bill not only delayed the Philippines’ ability to improve its security forces, it may have also eliminated the potential for it to happen at all during this period. Due to the effects of the 1997 Asian financial crisis, the Philippine peso dropped 40 percent against the U.S. dollar and made purchasing modern military equipment too expensive for the Philippines to acquire. As a result, the Philippine military was unable to purchase the fighter aircraft and the offshore patrol vessels.\(^{64}\) As the 1990s came to a close, the only significant military purchase the Philippines had made was to acquire one offshore patrol vessel from the United Kingdom that had previously been stationed in Hong Kong. The inability of the Philippine Congress to allocate sufficient funds towards military modernization put the country on a path of continued military degradation. From 2000 to 2008, the Philippines only increased its defense budget $70 million (USD), from $850–920 million (USD). Speaking about the capabilities of the Philippine military, Ian Storey states, “defense modernization plans have given priority to the army, leaving the navy and air force ill-equipped to deal with

\(^{62}\) Ibid., 412.

\(^{63}\) Ibid.

\(^{64}\) Ibid., 412–413.
contingencies in the Spratlys.” 65 Scholars were not the only ones concerned over the Philippines’ limited defense capabilities. In 2010, speaking to Admiral Robert Willard, Commander of the U.S. Pacific Command, AFP Chief General Ricardo David discussed how he hoped conflict did not arise in the SCS, because if it did, the Philippine military had “nothing to shoot with.” 66

The departure of U.S. forces from the Philippines left the country vulnerable to Chinese aggression in the SCS because its military was not able to defend its territories in the SCS because it simply did not have the military resources to do so. The slow passage and implementation of 7898 prevented the Philippines from upgrading its military in the 1990s, but it also had a major impact on its military well into the 2000s.

3. Engaging the PRC and Soft Rhetoric

During the late 1990s and into the 2000s, the Philippines saw its sovereignty threatened by the PRC several times in the SCS. This chapter previously discussed how the Philippines sought to strengthen its ties with the United States in response to the SCS disputes, and it also discussed how the leadership was unable to fund military modernization sufficiently. The last area to be discussed is Manila’s interactions with the PRC during the 15-year period, which is the focus of this chapter. During this time, the Philippines made several significant foreign policy decisions to engage the PRC. Even following the events in the SCS, Manila’s leadership decided that it should engage Beijing. In addition to these policy decisions, the rhetoric from Philippine leaders during this time period was surprisingly soft, especially for a country whose territory was being threatened.

The initial move to engage the PRC came after the events at Mischief Reef in 1995, when the Philippines and the PRC signed the “Joint Statement on PRC-RP Consultations on the South China Sea and other Areas of Cooperation.” In this joint agreement, the two countries agreed that disputes over territory should not hinder the two nations in working to improve their relations. The joint statement also mentioned

65 Storey, “Asia’s Changing Balance of Military Power: Implication for the South China Sea Dispute.”
66 Ibid.
building trust between the PRC and the Philippines, as well as cooperating in the safety of navigation and search and rescue operations. This agreement did not do much to quiet the tensions in the SCS, as several confrontations, which were discussed earlier in this chapter, occurred not long after this joint statement was signed.67

In addition to the joint statement, the Philippines, along with its ASEAN partners, sought to engage the PRC through multilateral talks to establish a declaration for a code of conduct in the SCS. Beijing first submitted a draft code of conduct, which did not include any discussions about sovereignty, which ASEAN did not adopt. The Philippines then submitted its own draft of a code of conduct, which ASEAN believed to be too much like a treaty rather than a declaration. Finally, in 2002, a declaration on the code of conduct in the SCS was signed by China and ASEAN. According to Acharya, the most significant words in the declaration “concern an undertaking by the parties ‘to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner.”68 One area not covered by the declaration was a commitment to cease the erection of new structures in the SCS, a point that Acharya says the Philippines desired, but China denied.69

While the negotiations for the code of conduct were ongoing, the Philippines signed another joint statement with the Chinese. In November 2000, the two countries signed the “Joint Statement Between China and the Philippines on the Framework of Bilateral Cooperation in the Twenty-First Century.” Two significant provisions in the statement were that “the two sides commit themselves to the maintenance of peace and stability in the South China Sea” and that “the two sides affirm their commitment to

68 Acharya, Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order, 159.
69 Ibid.
respect the independence, sovereignty, and territorial integrity of each other.”

Even after the signing of this joint statement, the Philippines experienced further confrontations with the PRC in the SCS.

In addition to diplomatic engagements, the Philippine government also set out to improve its economic relationship with Beijing. Ian Storey states, “in the early 2000s President Gloria Macapagal Arroyo set improved relations with China as a foreign policy priority.” Keeping her word, Arroyo entered the Philippines into the JMSU with the PRC in 2004. A second agreement in 2005 introduced Vietnam into the JMSU. The JMSU was a policy that put the China National Offshore Oil Corporation, Vietnam Oil and Gas Corporation, and the Philippine National Oil Company together for the purpose of researching petroleum potential in the SCS. In 2008, due to opposition in the legislature, the Philippines did not renew the three-year agreement.

The Arroyo administration also went to the Chinese to construct a national broadband network that linked units of the government, and gave the contract to the ZTE Corporation of China. In addition, the Philippines accepted $1 billion (USD) to fund the North Rail line on Luzon. In 2009, the Philippines was the largest beneficiary of monetary loans from the PRC in Southeast Asia.

During 1995–2010, the Philippines also moved slightly closer to the PRC in terms of military cooperation. In 2004, Manila reached an agreement with Beijing and signed a Memorandum of Understanding on Defense Cooperation. The agreement opened the door for Philippine troops to attend language and military courses in China, and the two

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countries also began sharing intelligence. In addition, according to *Jane’s*, the PRC invited the Philippines to participate in naval exercises, and the Philippines accepted $6.6 million (USD) worth of non-lethal equipment.\(^{74}\)

Not only did Manila attempt to move closer to the PRC between 1995 and 2010, the Philippine leadership also softened its rhetoric on the PRC. In 2004, President Arroyo stated, “we should credit China for sincerely wanting to become a good citizen of the world.”\(^{75}\) President Arroyo would again make a statement praising the PRC in 2007, when she stated, “we are happy to have China as our big brother in this region.”\(^{76}\)

Words are sometimes uttered by leaders, when in reality, little action takes place. For the Philippines, it was both. The two previous statements were not just political ploys. President Arroyo went further than to just verbally praise the PRC in 2002, when she signed Presidential Proclamation No. 148. This proclamation made June 9 of every year Filipino-Chinese Friendship Day. The proclamation stated, “the continuing friendship between the people of the Philippines and China will enhance the mutually beneficial relations between the two countries and also contribute to the peace and harmony in the Asia Pacific Region.”\(^{77}\) When Arroyo signed this proclamation, the Philippines had just recently dealt with another skirmish involving the Chinese in the SCS. Even still, the President of the Philippines made June 9, Filipino-Chinese Friendship Day.

### 4. Conclusion

This chapter’s main purpose has been to provide the background against which the subsequent shift in Philippine policy can be compared and measured. In concluding

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this chapter, however, some critical points must be noted about the policies the Philippines pursued prior to 2010. First, Manila’s decision to renew the security relationship with the United States can be seen a strong reaction to Chinese aggression in the SCS. However, as seen in the following chapter, this decision faced significant domestic opposition, which discouraged Philippine leaders from proclaiming the country’s strong desire to reignite the old alliance with the United States. The Philippines did benefit substantially from signing the VFA with the United States, but Chapter III describes a different rhetoric coming from Manila in regards to its desire for a strong America alliance.

Second, the Philippines’ attempt at passing legislation that would allocate sufficient funds to military modernization failed. It is understood that some members of government may have been skeptical of the military, but after the confrontations with the PRC over the Philippines territory, it was obvious that the country could not defend its own territorial claims in the SCS.

Third, even though Manila went through several skirmishes with the PRC over territorial disputes, the government chose to adopt non-confrontational policies toward the PRC in hopes of improving its relationship. Yet, even after it entered into some agreements and economic deals, the Philippines still confronted Chinese encroachment onto its territory. This approach changed quickly once Aquino came to power in 2010.
III. CASE STUDY: PHILIPPINES 2010 AND BEYOND

The previous chapter examined the disputes between the PRC and the Philippines and the policy responses seen from Manila between 1995 and 2010. This chapter follows the same outline as Chapter II. The first section discusses the disputes and skirmishes that occurred between Beijing and Manila. The chapter then discusses Manila’s policies toward the PRC since 2010. It focuses on the Philippines’ more assertive attempt to secure sufficient funding to modernize its military capabilities to counter the Chinese threat in the SCS. This chapter also reviews Manila’s attempt to strengthen its security relationship with the United States to improve its ability to counter PRC aggression in the SCS and to defend its territorial claims. Also included is a brief discussion that details provocative rhetoric of Philippine leaders aimed at the PRC.

A. DISPUTES IN THE SCS

The previously discussed period witnessed significant clashes between the Philippines and the PRC in the SCS. Since 2009, the two countries have continued to have confrontations over territory in the SCS. The events in the SCS in the late 1990s and early 2000s caused friction between Beijing and Manila, and the most recent events have also caused heightened tensions between the two countries.

In March 2011, tensions escalated when a Philippine-flagged exploration ship was harassed by two Chinese patrol vessels while conducting oil exploration for possible appraisal wells that could be mined by the Philippines near Reed Bank, which is about 90 miles east of the Spratly Islands. The Chinese vessels ordered the exploration ship to leave the area and threatened to ram the ship as the vessels were moving dangerously close to the Philippine vessel. Although the Chinese patrol crafts threatened to ram the ship, in the end, they did not. In response to the confrontation, the exploration ship, which
was unarmed, radioed the Philippine military for assistance. The Philippine Air Force
launched two reconnaissance planes in response to the call for assistance, but the Chinese
vessels left the area before the aircraft arrived.78

In April 2012, another confrontation occurred when the Philippines and the PRC
began what Jane’s referred to as a “tense standoff” over territory located near the
Scarborough Shoal.79 The extended standoff began after a Philippine warship attempted
to arrest Chinese fishermen, but was unable to do so because two Chinese marine
surveillance ships, which were responsible for law enforcement within Chinese waters,
terminated. The Philippine warship made the move to arrest the fishermen after they had
reportedly seen illegal corral and fish on board the fishing vessel. In response to the
incident, both the Philippines and the PRC sent assets to the area where they were
deadlocked for several weeks in a standoff. Although the standoff ended without
violence, it ended with the PRC taking control of Scarborough Shoal by using a floating
fence, and it further soured Sino-Philippine relations in regards to the SCS and territorial
disputes.80

Disputes in the SCS have not necessarily involved physical confrontation. Intelligence
gathered through aerial photos and firsthand accounts of activity in the SCS
near disputed territory can also heighten tensions between Beijing and Manila. In
September 2013 of this year, the Philippines reported that the PRC was preparing to build
permanent structures on the Scarborough Shoal after photographs revealed concrete
blocks on the shoal, which Philippine Defense Secretary Voltaire Gazmin called a

78 De Castro, “The Aquino Administration’s 2011 Decision to Shift Philippine Defense Policy from
Internal Security to Territorial Defense: The Impact of the South China Dispute,” 68.
79 Sarah McDowall, “Scarborough Affair—Philippines and China in Sovereignty Deadlock,” Jane’s
Intelligence Review, last modified June 11, 2012,
+1510621&Pubabbrev=JIR.
80 Ibid.; IHS Jane’s, “Philippines Accuses China of ‘Duplicious’ Behaviour in South China Sea,”
Jane’s Intelligence Weekly, last modified July 20, 2012,
+1515450&Pubabbrev=IWR.
“prelude to construction.” The Philippine leadership has reasons to be concerned, as was discussed in the previous chapter; the PRC previously built permanent structures on Philippine claimed territory at Mischief Reef. Once the structures are complete, it makes it less likely that the Philippines will be able to reclaim the territory, which is why these reports only increase the tension between the two countries.

The Philippines was not the only country to experience PRC aggression near disputed territories in the SCS after 2010. In March 2013, in what Jane’s calls an “unprecedented show of force by the PLAN at the southernmost range of Beijing’s SCS territorial claims,” four PLAN warships operated on Malaysia’s James Shoal, which is off Borneo’s northwest coast. While in this location, the four ships held a ceremony, which included a vow to defend Chinese sovereignty in the SCS. Although no physical confrontation occurred, this event shows another example of the PRC intruding into territories claimed by other states.

Vietnam is another country that has experienced confrontations with the PRC. In May 2011, PetroVietnam, which is a state-owned oil and gas company, reported that Chinese patrol crafts had purposely cut the seismic cable on one of its vessels operating in waters claimed by Vietnam. Later that same month, three PLAN vessels fired on Vietnamese fishing boats, which were also operating in waters claimed by Vietnam.

Other events in the SCS involving Southeast Asian nations and the PRC have also occurred, and although these examples did not involve the Philippines, they portray a pattern of behavior that displays the PRC’s aggressive actions in waters claimed by other nations. The Philippines has had its fair share of run ins with the PRC over its claimed

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82 Rosamond, “Surface Tension: Rivals Jostle in South China Sea.”

83 Ibid.

territories, but when Manila witnesses other state’s dealing with the same type of behavior, it increases the tensions between Manila and Beijing even further when those two countries become involved in territorial disputes.

B. PHILIPPINE REACTIONS: 2010 AND BEYOND

After the President Aquino took office in 2010, the Philippines began to make more concerted efforts to counter Chinese aggression than had been seen from previous administrations in Manila. Although the Philippines attempted to increase its military spending, that objective did not come close to being completed. The Arroyo administration sought to improve the Sino-Philippine relationship by engaging the PRC on economic policies that were rather unsuccessful and did not prevent Beijing from continuing to encroach on Philippine territory. In response to the events in the late 1990s and early 2000s, Manila did make a strong effort to strengthen its security relationship with the United States and was fairly successful in doing so.

Beginning in 2010, the Philippines began to take on a more aggressive approach in dealing with the PRC. The Aquino administration has been more eager and more vocal about continuing to strengthen its security relationship with the United States. The administration has also made allocating sufficient funds towards modernizing its military a priority and has already made improvements.

1. Seeking a Stronger U.S.-Philippine Alliance

In the late 1990s and early 2000s, the Philippines moved to improve its relationship with the United States following multiple Chinese encroachments into territories over which the Philippines claims sovereignty. Considering that the U.S.-Philippine security relationship was severely weakened when U.S. forces left the Philippines, Manila was able to rekindle the alliance to a certain extent over the next decade. The signing of the VFA under Ramos was the most significant achievement in regards to Manila’s relationship with the United States, because it opened the door to other aspects of the relationship, which included joint exercises and funding. Although the administrations between 1995 and 2010 took the first steps in revamping the U.S.-Philippine security relationship, the alliance was largely focused on internal security
threats. In contrast, the Aquino administration has attempted not only to enhance the relationship further, but has focused the partnership on external security threats, namely the PRC (see Figure 3).

One of the ways in which the Aquino administration has been more aggressive in regards to its relationship with the United States is that senior Philippine officials have begun to publicly emphasize why the Philippines needs the U.S. partnership. One example can be seen from the remarks by Philippine Defense Minister Voltaire Gazmin, who stated, “at this point, we cannot stand alone. We need to form alliances. If we don’t, bigger forces will bully us, and that is happening now.”85 This mentality can be seen in the other ways that Manila has attempted to grow its relationship with the United States.

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The Philippines continues to receive military hardware from the United States; not a new development, but the kind of military equipment it is receiving is very different from what it requested and received in previous years. In 2012, the Philippines took possession of the ex-U.S. Coast Guard cutter *Hamilton*, which it renamed the BRP *Gregorio Del Pilar*. Then, in June 2013, the United States sent a second former Coast Guard cutter, the *Dallas*, to the Philippines. Along with the second cutter, which was renamed the *Ramon Alcaraz*, the Philippines also received a retrofit package that included a Mark 38 Mod 2 gun system.87

In April 2012, Philippine Defense Undersecretary Honorio Escueta publicly stated that the Philippines would be asking for communications and electronic systems removed from the Coast Guard cutters to “assist its (Philippines) efforts in securing assets and territory in the South China Sea.”88 Also, in April 2012, *Jane’s* reported that the Philippines was also seeking to acquire a squadron of F-16 fighter aircraft, more U.S. Coast Guard Cutters, multirole helicopters and a C-130 Hercules, which is a transport aircraft.89 In addition, Philippine leaders have also looked into the possibility of leasing Perry class guided-missile frigates, which can be used to patrol the Philippines maritime interests, from the United States.90 The previous chapter described the military equipment that the Philippines had received from the United States between 1995 and 2010, and, although the relationship had to start somewhere, the Aquino administration has gone far beyond accepting M-16s and UH-1H helicopters. Requesting F-16s and other aircraft along with naval assets, such Perry class frigates, reflects not only the urgency that the Philippines feels to boost its external defense capability quickly, but it also shows a country that wants more from its relationship with the United States.

As previously mentioned, the VFA signed in the late 1990s by the Philippines opened the door to an increase in bilateral cooperation and joint exercises between the

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87 IHS Jane’s, “Second Hamilton-Class Cutter Sets Sail for Philippines.”
88 Grevatt, “Philippines to Ask U.S. for More Defence Equipment.”
89 Ibid.
United States and the Philippines. The Philippines and the United States have participated in numerous joint military exercises over the past decade, but, similar to the change in military aid, the exercises have also evolved over time (see Figure 4). For example, in CARAT Philippines 2011, which included four days of at-sea exercises, the location for the event was not randomly selected. CARAT Philippines 2011 involved approximately 800 sailors from the U.S. Navy, two U.S. guided-missile destroyers, a U.S. diving and salvage ship, P-3C Orions and SH-60 Seahawks and occurred on the east side of Palawan, which is the closest Philippine island to the Spratlys. The location for the exercise was not randomly selected, especially when the statement from Manila is included that states the, “US was duty-bound to protect the Philippines’ interests in the Spratly Islands.”

Similarly to Manila requesting more advanced military equipment, the Philippines also wants more out of the United States in regards to their joint exercises. During the 2012 Philippine-U.S. Strategic Bilateral Dialogue, which occurred in Washington, Philippine officials asked the United States for an increase in joint bilateral exercises focused on the West Philippine Sea, which is also the SCS.

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During the 2012 meeting, the Philippines also asked the United States to deploy military assets in the Philippines on a rotational basis until the Philippine military is capable of protecting its interests. Since that meeting, the request seems to have been agreed to as evidenced by the following events. In 2013, U.S. Navy ship visits to the Philippines is on pace to exceed 100, which is double the amount of visits in 2011. In

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addition, the Philippines hosted two U.S. nuclear attack submarines in 2012 as the Philippines and the PRC were once again involved in a dispute at Scarborough Shoal. While the United States appears to have come through on the Philippine request for an increased presence of forces in the Philippines, Manila is also making other moves to achieve the increased presence. The Philippines is reportedly willing to spend $230 million on a 70-acre facility at Subic Bay, which is only 124 miles from the Scarborough Shoal, to not only host U.S. warships, but U.S. aircraft as well.94

These examples from the Aquino administration show a Philippines not only more open about the necessity of the U.S. partnership, but also more vocal about requesting additional aid and support. Between 1995 and 2010, the Philippines seemed content to receive any support the United States would provide, but since 2010, the Philippines has become much more proactive in seeking further military support from Washington, particularly support that will further enhance its naval capabilities.

2. Military Modernization and Funding

The Philippines’ failure to allocate sufficient funds its military modernization has left it vulnerable in regards to its external security and ability to defend its territorial claims in the SCS. According to IHS Jane’s, the Philippine navy’s rapid deployment capability is limited, and its overall readiness is poor. In 2011, only half of the Philippines’ naval assets were afloat, and not all the assets listed as afloat were operational. Jane’s assesses the Philippines navy as “effectively unable to offer any credible defence to external threats to national sovereignty.”95

Naval power comprises a large piece of the Philippines’ ability to protect its territorial claims in the SCS, but air capabilities are also important for reconnaissance and deterring foreign aircraft from operating inside Philippine airspace. The condition of the


Philippine Air Force is similar to that of the Navy’s—poor. The Air Force does not possess the ability to deploy air assets rapidly, and it also lacks the ability to confront aircraft operating without permission in Philippines’ air space, such as the areas surrounding the Spratly Islands and other disputed territories.\(^{96}\)

Previous administrations’ failure to fund the military properly has left the Philippines with a dilapidated security force. As with the U.S.-Philippine alliance, President Aquino has become more aggressive in attempting to secure sufficient resources for military modernization and has already made improvements. President Aquino did not waste much time before he began beefing up external security capabilities. In September 2010, the Philippines announced it would be conducting major renovations and making significant improvements to its military facilities in the Spratly Islands. In assessing the motivation of the repairs, Jane’s reported:

> Manila’s plan to enhance its military presence in the Spratly underlies the tendency of the littoral states in the region to rely on military activity to reinforce territorial claims at a time when disputes over sovereignty in the South China Sea are increasing.\(^{97}\)

Then in March 2011, the Philippines military announced it would invest $183 million to defend the areas around the Spratly Islands, which a military spokesperson said was a “national priority.”\(^{98}\) The funds would be used to purchase patrol ships, patrol aircraft, and an air defense radar system, all of which would be significant assets in defending maritime territory.\(^{99}\)

The previous two examples are individual investments in security, but in July 2012, the Aquino administration released its plans to modernize the Philippine military drastically in a white paper entitled “Transforming the Department of National Defense


\(^{98}\) Grevatt, “Philippines to Invest USD 183 Million in Defence of Spratly Islands.”

\(^{99}\) Ibid.
to Effectively Meet the Defense and Security Challenges of the 21st Century.” The plan includes a discussion about the failure of previous Philippine leaders to fund military upkeep and modernization sufficiently. According to the white paper, Republic Act 7898, which was discussed in the previous chapter, ended in 2011 without achieving the objectives of the law. The military required 332 billion pesos, which is just over $76 billion, to “fully realize the envisioned capabilities for naval, air, ground, and joint command and control communications and information systems.” Of the 332 billion pesos the Aquino administration says were needed, only 33.9 billion pesos were actually allocated.


101 Ibid.

102 Ibid., 9.

103 Ibid., 11.

The plan includes two capability development goals, one of which is to “enable the Philippines to exercise full sovereignty over its territory and provide protection to its maritime interest.” The plan to modernize the military expectedly has a lot of focus on capabilities critical to protecting the Philippines claimed territories. The white paper calls for a three-tiered navy fleet, which includes not only improved surface capabilities, but also submarine and air warfare to protect the country’s exclusive economic zone. Also included is the goal of attaining a strategic air strike force to protect the airspace in disputed areas, through the acquisition of multi-role fighter aircraft and unmanned aerial vehicles. The plan also calls for a strategic sea and airlift capability, as well as air, land and sea missile capability and the capability to use mine warfare, which will “support other external/territorial defense operations such as sea denial, air and sea interdiction, infantry and mechanized operations.” Each of these areas can be used to counter Chinese aggression, which is an important aspect of the plan. The Aquino administration, understanding that the Philippines’ military is need of drastic improvements, has focused the modernization plans on areas of defense that can be used to counter Chinese encroachment into its territorial waters. Although the plan does not call for any specific
amount of monetary spending to achieve the objectives listed, the white paper does set
the tone for what the Aquino administration’s priorities are. It not only signals to its own
military that Manila is going to upgrade its military, but it also sends a message to
Beijing as well.

In the same month in which the white paper was released, President Aquino
further reiterated his commitment to modernizing the military when he announced that
the Philippines would be spending 75 billion pesos, in addition to the 28 billion pesos his
administration had already spent, to acquire two refurbished C-130 Hercules, upgrade the
Coast Watch System, and purchase 81 millimeter mortars. In addition, the Philippine Air
Force would also receive four utility helicopters and take possession of UH-1H
helicopters that had been upgraded for use in nighttime missions.104

Aquino again promised more military funding in May 2013, when he announced
that he would be allocating another 75 billion pesos to “defend the country’s maritime
territory against ‘bullies.’”105 Aquino also promised that by 2017, the Philippines would
acquire two frigates, two anti-submarine helicopters, coastal patrol vessels and eight
amphibious assault vehicles. During the announcement, in addition to using the word
“bullies,” which was obviously directed at the PRC, Aquino, proclaimed that “we have a
clear message to the world: The Philippines is for Filipinos, and have the capability to
resist bullies entering our backyard.”106

Although the Philippines has a history of not following through on funding the
military, President Aquino is changing that pattern by not only allocating the funds, but
also by his comments and public announcements of increased defense spending. The
Philippines has already made improvements in its military capabilities, and although
much more still needs to be revamped, the Aquino administration is dead set on making it
happen.

104 Michael Cohen, “Aquino Outlines Spending Drive to Rebuild Philippine Armed Forces,” Jane’s
Defence Weekly, July 25, 2012,
+1515606&Pubabbrev=JDW.

105 Agence France Press, “Aquino Bares, AFP Buildup vs. ‘Bullies in our Backyard.’”

106 Ibid.
IV. CONCLUSION

Looking at the actions and policy decisions made by Philippines’ President Aquino after taking office in 2010, it is clear that a fundamental shift has occurred in the way Manila has dealt with the PRC. During each period examined in this thesis, the Philippines faced incidents of Chinese encroachment in the SCS. However, the policies that the Philippines adopted in response to these challenges were very different. The Aquino administration has made more of an effort not only to strengthen its relationship with the United States, but also to be more vocal about its desire to receive additional military assistance from Washington. President Aquino’s administration has also made a much more aggressive attempt to increase its own spending on military modernization. What Aquino has not done is just as significant as what he has done. The administrations that preceded him, especially the Arroyo administration, took a softer stance towards the PRC, made decisions and implemented policies in an effort to accommodate Beijing and improve relations.

With this shift in the approach towards the PRC since 2010, the logical question to ask is, why? As described in Chapter I, three explanations for this shift are likely. First, Manila’s perception of the Chinese threat has changed. Second, the threat has grown too large for the Philippines to ignore and has forced a change in its policy. Lastly, the Philippines is able to count on superpower support for its more assertive efforts to counter the PRC in the SCS.

A. CHANGE IN PERCEPTION

It is quite possible that one reason for the change in Philippine policy since 2010 is that President Aquino has different perceptions of the threats facing the Philippines. In the early 2000s, the Philippines focused most of its defense resources on internal security. President Arroyo’s government was highly concerned by secessionist movements and the radical Abu Sayyaf Group. In June 2001, President Arroyo signed Executive Order No. 21-S-2001, which created the Cabinet Oversight Committee on Internal Security, the body that created the National Internal Security Plan or NISP. The NISP was a plan that
“commit[ted] the entire government machinery to eliminating the root causes of the insurgencies and neutralizing the insurgents.”¹⁰⁷ The NISP forced the military to shift focus from external threats and focus almost specifically on internal defense.

The security priorities of the Philippines became even more focused on internal security following the September 11, 2001 terrorist attacks on the World Trade Center and the Pentagon in the United States. Following those attacks, the Philippines became a key strategic partner of the United States in the war on terror, and the Philippine military then began bilateral exercises focused on counter-terrorism and counter-insurgency, both internal security issues. No better example shows how focused the Philippines was on internal security than the 2001 National Military Strategy, which detailed an 18-year Capability Upgrade Program (CUP). The program was split into three phases, and the first phases, counting 12 years of the 18-year program, were dedicated to addressing internal security threats.¹⁰⁸

Speaking to the major focus on internal security, Renato Cruz De Castro writes, “these capability upgrade projects were formulated on the assumption that the Philippines would not face any external security challenge until 2018. Acquisition of a weapon system for territorial defense was never considered, and consequently, any efforts to purchase military hardware and to conduct training necessary for external defense remained essentially on paper and in theory.”¹⁰⁹ As was discussed in the previous chapter, the Philippines experienced several confrontations with the PRC over disputed territory in the SCS in the mid- and late 1990s. So why did the program assume that the Philippines would not face an external security threat until 2018, when it just had recently just dealt with an external security from the PRC? The answer is that the Arroyo administration perceived the internal security challenges as more of a threat than the PRC.

¹⁰⁸ Ibid., 74–75.
¹⁰⁹ Ibid., 75.
While the Arroyo administration was focused on internal security threats, it is clear that President Aquino’s defense priorities have focused on external threats, namely the PRC as evidenced through the Philippines’ attempts to obtain more military equipment from the United States, which can be used to protect its territorial claims and counter Chinese encroachment. It is also clear that Aquino perceives the threat from the PRC differently because of his eagerness to increase defense spending to improve the external security capabilities of the Philippine military. Since 2010, the Philippines has made military modernization and improving external security capabilities a priority.

Where previous administrations have failed, the Aquino administration appears to be succeeding. A large reason why is that the current administration has set a tone that puts military modernization as a priority. A good example can be seen through 2012 white paper, which not only outlines the administration’s goals for military modernization, but also provides reasons for why they are necessary. With increased defense spending as a priority, the Aquino administration has been able to renovate some military facilities in the Spratly Islands, acquire refurbished C-130s, make upgrades to its coastal watch system, and upgrade aircraft so that they can complete nighttime missions. President Aquino has also been more aggressive in pledging that more funds will be coming to the military and the country will continue to increase its external security capabilities. Although Manila attempted to secure increased defense funds through RA 7898 in the late 1990s, the leadership was unable to do so. While other factors were at play, such as the financial crisis, which affected Manila’s ability to allocate the funds, the bottom line is that the leadership failed to increase defense spending. Even considering the other factors, the Philippines should have made more of an effort to spend more on military modernization, especially in light of the events at Mischief Reef and Scarborough Shoal, which highlighted Manila’s military weaknesses.

Where Arroyo chose to allocate resources towards internal security, Aquino has chosen to focus on spending money that will improve the Philippine military’s external capabilities. During the Arroyo administration, the Philippines focused on exercises that dealt with internal security, and, as previously mentioned, the Aquino administration is requesting that the United States participate in more bilateral exercises that focus on the
Philippines’ external security in the SCS. The internal security challenges that faced the Philippines between 1995 and 2010 remain today, but the Philippines has now shifted its focus from internal security threats to the external security threat from the PRC, and evidence exists to support that a change in perception is the reason.

A change in perception can also be seen by looking at the Philippines’ policy towards the PRC between 1995 and 2010, when Manila was much more focused on maintaining a peaceful relationship with the PRC and entering into economic agreements with Beijing. The Aquino administration has chosen to improve its external security capabilities to counter the PRC rather than accommodate Beijing through economic partnerships and diplomacy as the Arroyo administration did. A change in perception could easily be argued as the sole cause for the change in Philippine policy, but the change in the size of the threat also plays a significant role in changing the perception.

B. THE SIZE OF THE THREAT HAS BECOME TOO BIG

Another potential explanation for the change in Philippine policy is that the size of the PRC threat has become too large to ignore, and Manila is now forced to change its approach in handling the threat from Beijing. The size of the threat has increased, not only in terms of the aggressiveness from the PRC, but also in the size of China’s economy and its military capabilities.

While the overall manpower of the PRC is much larger than the Philippines, the PRC’s economic success has allowed it to devote a large amount of funding to defense. As mentioned earlier in the chapter, the Philippines has made some progress in earmarking more money to defense, but even still, it will never catch up with the PRC in terms of military spending. The U.S. Department of Defense estimates that the PRC spent between $135 billion and $215 billion in 2012 alone.110

The PRC’s defense spending has allowed Beijing to create a large and capable military, and although the PRC’s military might is still improving, the Philippines is nowhere near having the capability to counter the PLA’s military strength. With 255,000

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people, the PLA Navy’s maritime superiority begins with the surface ships, where it possesses 19 guided-missile destroyers, 52 guided-missile frigates, and over 150 landing crafts. The PLA Navy also has 84 fighter aircraft in its arsenal, along with four maritime patrol aircraft, and 13 reconnaissance aircrafts. In addition, the PRC commissioned its first aircraft carrier, the Liaoning, in 2012, and the U.S. Department of Defense predicts that the Chinese will be adding more carriers to its naval force, and that by the middle of this decade, the PRC will launch its first Chinese built aircraft carrier. Overall, the PRC has improved its ability to project force further into the SCS, which is a significant threat to the Philippines external security, specifically its ability to defend its territorial claims.

The size and capabilities are not the only reasons that have led to the change in policy. Along with the capable military, the PRC has also shown that it is not afraid to challenge the Philippines, as well as other Southeast Asian nations’ territorial claims in the SCS. Therefore, not only does the PRC possess a far superior military than the Philippines and the resources to make continued improvements, it has also demonstrated a willingness to use its military to enforce its claims in the SCS. These two things combined have caused Manila to come to the realization that it must do everything in its power to create a military that is at least capable of deterring PRC aggression. In the same way that the change in perception influenced the Aquino administration’s focus on military modernization and external security, the size of the PRC threat has also shone a light on the need for the Philippines to acquire a more formidable military force, especially air and maritime assets that can patrol and defend the Philippines’ territory in the SCS.

112 Ibid., 48.
Considering that following the confrontations in the late 1990s, the Philippines still chose to focus on internal security, one explanation for the shift in policy since 2010 may be that the size of the threat has become much larger and more apparent. When the Philippines analyzes the PRC’s actions in the SCS, it sees a rapidly growing power encroaching not only into its own sovereign territory like the Scarborough Shoal, but into those of other Asian states as well. The aggressive actions of the PRC in the SCS are by themselves enough to alarm Philippine leaders, but when the PRC’s military power, along with their large amount of economic resources is considered, the threat becomes even more significant and alarming.

C. COUNTING ON SUPERPOWER SUPPORT?

The final possibility that could explain the change in Philippine policy after 2010 is that the Philippines is expecting superpower support if violent confrontation does break out with the PRC. Manila has become much more vocal about its military modernization plans and the reasons for them, almost as if it is signaling to the PRC through rhetoric that Manila is going to do all that it can to counter Chinese aggressions and will not back down. This sentiment can be seen in President Aquino’s remarks referring to “bullies” operating in Philippine territory.\(^{114}\) It can also be seen from other statements like those of Defense Secretary Voltaire Gazmin, who stated in May 2013 that, “to the last soldier standing, we will fight for what is ours.”\(^{115}\) With a similar sentiment, a Foreign Department spokesperson stated, “they (PRC) should not be there (Mischief Reef). They do not have the right to be there. No one should doubt the resolve of the Filipino people to defend what is ours in that area.”\(^{116}\)

One reason Aquino may feel that he can count on U.S. support is because the United States has provided an unprecedented amount of assistance to strengthen the Philippine navy. Material support from the United States like the acquisition of the two U.S. Coast Guard cutters and the Mark 38 Mod 2 gun system are only a part of the

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114 Agence France Press, “Aquino Bares, AFP Buildup vs. ‘Bullies in our Backyard.’”
115 Macaraig, “Philippines Vows to Defend Territory against China.”
116 Ibid.
support the Philippines has received. The United States has also participated in joint exercises with the Philippines in areas around disputed territories. In addition, the Philippines has been eager for an increase in U.S. forces inside the country, and the United States has increased its port visits and sent nuclear submarines to port inside the Philippines.

The Philippines is unquestionably weaker than the PRC, but the way in which Philippine officials have confidently announced military modernization plans, stood their ground in confrontations with the PRC, and made the assertive statements aimed at the PRC, show a government that appears not to be intimidated. One explanation may be that the Philippines is relying upon superpower support if a conflict does break out. In addition to the support the Philippines is currently receiving from the United States, the 1951 Mutual Defense Treaty, which commits the United States to supporting the Philippines against an “armed attack,” may also be adding to Aquino’s belief that Manila can rely on U.S. support if a dispute with the PRC escalates into a conflict.117

Recent shifts in U.S. policy toward Asia are another reason that Aquino, unlike his predecessors, may be more confident about U.S. support for his policy toward China. In particular, the United States pivot to Asia has coincided with his presidency. The United States pivot is planned to send 60 percent of its surface ships to the region and increase the American presence there. In addition, the United States will have new troop deployments to Australia and new naval deployments to Singapore.118 The Philippines has reason to be optimistic about the U.S. Asian plan, considering that one of the reasons for it is in response to “China’s growing military capabilities and its increasing assertiveness of claims to disputed maritime territory, with implications for freedom of navigation and the United States’ ability to project power in the region.”119 The pivot


119 Manyin et al., “Pivot to the Pacific? The Obama Administration’s ‘Rebalancing’ Toward Asia,” 2.
will bring more of an American presence to the region, which will benefit the Philippines. Having U.S. warships operating near disputed territories could also make it less likely for the PRC to encroach into claimed territories, especially the territories of its allies, including the Philippines.

In 1995, even with the 1951 defense treaty in place, the United States was not willing to come to the aid of the Philippines in a conflict over disputed territories with the PRC. With the increase in U.S. military support and the China focus of the pivot, the Aquino administration may believe that the circumstances are different from those in 1995, and the United States would now be there to support Manila in a conflict over disputed territories, which may explain Aquino’s more aggressive approach to China.

To argue that the Philippines has changed its approach to the PRC because Manila is counting on superpower support is difficult to prove, but statements by Philippine leaders that the United States is “duty-bound to protect the Philippines’ interests in the Spratly Islands,” it is evident that the Philippines expects support. The United States is not the only power Manila has looked to for support in the defense of its maritime interests. On July 27 2013, the Philippines and Japan agreed to a strategic partnership “to promote defence and maritime resources protection between the countries’ security forces and coast guards.” In the agreement, the Japanese committed to sending 10 coast guard patrol craft to the Philippines, and the Philippines invited the Japanese to participate in joint exercises. After the agreement, Jane’s reported that both Japanese Prime Minister Shinzo Abe and President Aquino voiced concerns about the PRC’s aggressive actions inside territories claimed by the Philippines and Japan.

Although this explanation is the most difficult to prove, statements and decisions have been made that show that the Philippines is expecting superpower support,

120 Hardy, Patrikainen, and Rosenbach, “U.S. Philippines Start 11-Day Naval Exercise Close to Spratly Islands.”
122 Ibid.
especially from the United States. Overall, the Philippines has become more eager and proactive in its quest for U.S. support than was seen during the 1995–2010 period. Although the security relationship during that period was still coming together, Manila was still not nearly as receptive to assistance and support from Washington because internal security was the major focus. Manila has also solidified an agreement with the Japanese, which has gained the Philippines even more support from a regional power.

D. THE OUTLOOK

The Philippines has in the past shown restraint when it comes to PRC encroachment into territory it claims, which is obvious for a couple reasons, but the most significant factor is that the Philippines understands that it is a significantly inferior power. Manila has shown, however, that it will not just back down in a confrontation with the PRC and will make significant efforts to counter aggression without escalating a situation into a violent conflict.

Manila understands that it would be unable to win a military conflict if it should arise over territorial disputes. With the PRC possessing a much larger and capable military force, but still holding protecting its sovereign territory as a national priority, Manila has taken the fight into the courtroom, where it could possibly achieve a diplomatic victory over the PRC. In January 2013, the Philippines initiated an international arbitration process under the United Nations Convention on the Law of the Sea (UNCLOS) in response to the PRC’s actions in the SCS, a process in which the PRC refuses to participate. In bringing about the arbitration, the Philippines made four claims. The first is that the PRC’s nine-dash line is invalid. The second claim is that the PRC has occupied rocks unable to sustain human life, and are therefore, unable to be occupied under UNCLOS. The Philippines also claimed that the PRC built structures and occupied submerged features that were not islands, but were part of the Philippine continental shelf, which is illegal under UNCLOS. The fourth claim was that Chinese harassment was illegal.123

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Although the Philippines withdrew from the Scarborough Shoal, it has not backed down against PRC encroachment and is making urgent strides to boost its external security capabilities, the Philippines is not looking for a conflict with the PRC. The initiation of arbitration against the PRC is an effort by Manila to solve its territorial disputes with the PRC with the one weapon it does have—diplomacy. Whether or not the Philippines is successful in arbitration remains to be seen, but just choosing to take the action shows the Philippines’ desires to secure its territory using diplomacy, not violence.

The Philippines obviously will not seek out a military conflict with the PRC, but Beijing is also not looking for conflict because it would potentially hinder its economic advancement and put its international reputation at risk. No question exists that the PRC has been attempting to secure territory in the SCS, which it asserts is the sovereign territory of the PRC, even if other nations like the Philippines claim the territory as well.

Even though protecting its territory is a top priority, the PRC is unlikely to take any action that would escalate a confrontation into full out conflict. This point is made by Ian Storey, who writes:

> China is not likely to try to resolve disputes in the South China Sea through military force, as the costs of doing so would greatly outweigh the benefits. Instead, Chinese officials are more likely to continue the policy they have followed for more than two decades: emphasizing their commitment to peace, stability and cooperation while simultaneously asserting their jurisdictional claims and expanding China’s physical presence in the South China Sea.124

The PRC and the Philippines do not share many of the same views when it comes to the SCS, but the one they do share is that neither of the countries wants an escalation into a violent conflict. For the Philippines, a war with the PRC would likely end in disaster because its military is just not capable of going toe to toe with the PRC. For the PRC, a war in the SCS could risk its economic rise and damage its international reputation, neither of which is beneficial to Beijing’s future.

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In conclusion, it is evident that the Philippines has changed its policies towards the PRC since 2010, when President Aquino came to office. Between 1995 and 2010, the Philippines did not perceive the PRC as a significant threat to external security. The Estrada and Arroyo administrations perceived internal security challenges as the major threat to Philippine security. In contrast, the Aquino administration perceives the PRC threat to be much higher than previous administrations. The size of the threat is also much larger today than it was during the 1990s through mid-2000s. Lastly, the U.S.-Philippine alliance is currently strong, which is in contrast to the weak alliance that was present in the 1990s and 2000s.

The Aquino administration has been more aggressive in seeking U.S. support and has made military modernization and improving his country’s external security capabilities a priority, which is in contrast to the Arroyo administration that focused on internal security. In addition, the Aquino administration has shown it is not afraid to challenge the larger and more powerful PRC. While the actions of the Aquino administration are in contrast to those occurring between 1995–2010, significant importance can be linked to issues that this administration has not undertaken. President Aquino’s administration has not attempted to accommodate the PRC through economic agreements and diplomacy as was seen during the Arroyo administration. At the root of the change in Philippine policy is a combination of a change in how Aquino perceives the PRC threat, the increase sized and improved capabilities of the PRC, and the Aquino administration’s reliance on superpower support if conflict with the PRC were to occur.

Since 2010, the Philippines has focused on countering the PRC threat rather than attempting to accommodate it. It is rational to expect that the Philippines will continue this more aggressive approach to the PRC throughout President Aquino’s term, but what will be the outcome if Aquino is not in office? It is possible that the Philippines’ approach to the PRC could change with the election of a new president upon considering the significant differences in policies analyzed in this thesis. After all, the Ramos administration did have policies similar to those of the Aquino administration. For
example, Ramos focused largely on external security and sought U.S. support to address external security concerns. If Aquino does not stay in power, it is possible that the Philippines could change its policies towards the PRC again.
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