

The Philippines' Hedging between the United States and China: Can the Biden Administration Tip the Balance?

Renato Cruz De Castro

In February 2021, President Rodrigo Duterte admitted the necessity of the Philippines' alliance with the United States and stated that Manila would renegotiate the 1999 Visiting Forces Agreement with Washington. His grudging acknowledgment of the value of the Philippine-U.S. alliance reflects a gradual shift in Philippine foreign policy. At the start of his presidency, Duterte aimed to transform the Philippines' South China Sea policy from being one of confrontation to one of conciliation through dialogue with China,¹ and his administration endeavored to foster closer Philippines-China diplomatic and economic relations. In the process, he adopted a more nuanced stance toward Philippine security relations with the United States and tipped the balance toward China.

The institutional relationship between the Armed Forces of the Philippines (AFP) and the U.S. armed services, however, withstood the Duterte administration's efforts to disparage the alliance while strengthening ties with China. And after five years of pursuing a policy of appeasement toward China, the Philippines is tipping back toward the United States and incrementally consolidating its U.S. security ties to constrain China's revisionist agenda in the South China Sea.

This essay examines two interrelated questions: what is the state of the Duterte administration's appeasement policy on China, and why is the Philippines cautiously returning to stabilizing its alliance with the United States? It then looks at what the Biden administration should do to make the Philippines give up its appeasement policy and strengthen security ties with the United States for a 21st-century alliance.

The Duterte Administration's Policy of Appeasement

From 2011 to 2016, then president Benigno Aquino III pursued a balancing policy toward China and favored closer security relations with

RENATO CRUZ DE CASTRO is a Distinguished Full Professor in the International Studies Department at De La Salle University in Manila (the Philippines), where he holds the Aurelio Calderon Chair on Philippine-American Relations. He can be reached at <renato.decastro@dlsu.edu.ph>.

¹ The National Institute for Defense Studies, *East Asian Strategic Review 2017* (Tokyo: Japan Times, 2017), 134.

the United States, including an unequivocal security guarantee from the United States under the 1951 Mutual Defense Treaty (MDT). Upon taking office, however, President Rodrigo Duterte reversed Aquino's strategy toward China's South China Sea claims and focused on appeasing China with the hopes that the Philippines would benefit from closer relations with the emerging global economic power. This policy, in turn, triggered a crisis in Philippines-U.S. relations.

In October 2016, Duterte vowed to expel U.S. Special Forces who were supporting the AFP's antiterrorism and counterinsurgency operations in Mindanao and to chart an independent foreign policy. He also canceled the 2017 Balikatan exercise and suspended the joint Philippines-U.S. naval patrols in the South China Sea. At the same time, Duterte pursued a rapprochement with China to promote bilateral ties and secure economic assistance.² Beijing and Manila opened formal lines of communication, which paved the way for resuming bilateral consultations on trade, infrastructure development, and tourism, as well as cooperation in science, technology, and health. Duterte announced that the United States had "lost" because of the Philippines' military and economic separation.³ The Philippines' distancing from the United States was immediately seen as a serious setback for Washington and a diplomatic victory for Beijing, one that could even influence other states to be pulled into China's orbit.⁴

However, Duterte's approach alienated the Philippine military, which still considers its links with the U.S. armed forces crucial to its operations.⁵ U.S. forces have provided technical assistance in combating Muslim militants in the southern Philippines, many AFP officers were trained in the United States, and the two militaries have been staging joint military exercises for 70 years. Furthermore, the Philippine military greatly appreciates defense articles channeled through the U.S. government's foreign military sales program.

² National Institute for Defense Studies, *NIDS China Security Report 2019: China's Strategy for Reshaping the Asian Order and Its Ramifications* (Tokyo: Japan Times, 2019), 33.

³ Katie Hunt, Matt Rivers, and Catherine E. Shoichet, "In China, Duterte Announces Split with U.S.: 'America Has Lost,'" CNN, October 20, 2016 ~ <https://www.cnn.com/2016/10/20/asia/china-philippines-duterte-visit/index.html>; and Lowell Bautista, "The Philippines and the Arbitral Tribunal Award: A Sombre Victory and Uncertain Times Ahead," *Contemporary Southeast Asia* 38, no. 3 (2016): 350–51.

⁴ Neil Morales and Karen Lema, "The Philippines Is Preparing a Major Pivot toward China amid Tension with the U.S.," *Business Insider*, October 11, 2016. See also Renato Cruz De Castro, "The Duterte Administration's Foreign Policy: Unravelling the Aquino Administration's Balancing Agenda on an Emergent China," *Journal of Current Southeast Asian Affairs* 35, no. 3 (2016): 139–59.

⁵ Richard C. Padlock, "Philippines President Pushes Break with U.S.—Most Filipinos Hold Favorable View of U.S.," *Jane Defense Weekly*, October 27, 2016. See also Renato Cruz De Castro, "The Duterte Administration's Appeasement Policy on China and the Crisis in the Philippine-U.S. Alliance," *Philippine Political Science Journal* 38, no. 2 (2017): 1–23.

The program involves a “total package approach,” which means the recipient country receives all the support articles and services required to operate and maintain the equipment to ensure their continued use long into the future.⁶ The quality and amount of U.S. military assistance since the Obama administration has fostered support for the U.S. military presence in the country and the alliance from both the AFP and the general population.⁷

The Trump Administration’s Policy of Strategic Patience

Notwithstanding Duterte’s sharp rhetoric against the United States, President Donald Trump phoned his Philippine counterpart in April 2017 to affirm Washington’s commitment to the terms of the MDT and to express his interest in developing a warm working relationship.⁸ Trump’s promise to support Duterte was tested during the siege of Marawi City from May to October 2017. In late May an estimated one thousand militants affiliated with ISIS and led by the Maute group seized Marawi’s central business district.⁹ The ISIS leadership declared Marawi to be an “Islamic state” and called on supporters to launch additional attacks outside the city to expose vulnerabilities in the Philippines’ security forces.¹⁰

Immediately after extremists seized the city, Washington extended its military assistance to Manila, including actionable intelligence to the Philippine combat units. All in all, the U.S. government spent \$15 million in technical assistance and deployed an additional hundred combat personnel.¹¹ This figure does not include the initial military assistance of \$13.5 million worth of weapons and equipment dispatched in late May 2017, followed by 20 combat rubber raiding craft and 30 outboard motors for the AFP’s riverine operations against the militants. The siege revealed the Philippine military’s weaknesses, especially in urban warfare, causing

⁶ Padlock, “Philippines President Pushes Break with U.S.,” 172.

⁷ Sheldon Simon and Carl Baker, “Philippine Follies,” *Comparative Connections* 18, no. 3 (2017): 36
 ~ http://cc.pacforum.org/wp-content/uploads/2017/01/1603_us_sea.pdf.

⁸ Renato Cruz De Castro, “The Trump Administration and the Management of the Philippine-U.S. Alliance,” *Business World*, November 3, 2020
 ~ <https://www.bworldonline.com/the-trump-administration-and-the-management-of-the-philippine-us-alliance>.

⁹ For an in-depth analysis of the siege of Marawi, see Quinton Temby, “Cells, Factions and Suicide Operatives: The Fragmentation of Militant Islamism in the Philippines Post-Marawi,” *Contemporary Southeast Asia* 41, no. 1 (2019): 114–37.

¹⁰ Rohan Gunaratna, “The Siege of Marawi: A Game Changer in Terrorism in Asia,” *Counter Terrorist Trends and Analyses* 9, no. 7 (2017): 4
 ~ <https://www.jstor.org/stable/10.2307/26351533>.

¹¹ Emmanuel Sioson, “Experimenting with the Art of Mission Command,” *Army*, March 2019, 28.

the country to turn back to the United States rather than further into China's embrace.¹²

Stabilizing the alliance is a high priority for Washington as the Philippines remains a linchpin for U.S. regional strategy. Further deterioration of U.S.-Philippines security relations would not only undermine the United States' strategic position in Southeast Asia but also give China political-diplomatic leverage in the two great powers' strategic competition in the region. With Duterte keeping his options open in maintaining the alliance, the United States found it expedient to stabilize its security relationship with the Philippines to preserve the status quo in the South China Sea and, more significantly, to prevent ISIS from gaining a foothold in Southeast Asia. The South China Sea dispute and the growing threat of ISIS in Mindanao posed two key security issues for the U.S.-Philippines alliance.

In November 2017 the Philippine and U.S. militaries held heightened joint counterterrorism training, amphibious drills, and live-fire exercises in a sign of warming bilateral relations. Trump and Duterte reaffirmed their commitments to the MDT and the 2014 Enhanced Defense Cooperation Agreement at the Association of Southeast Asian Nations (ASEAN) summit in Manila.¹³ Similarly, the two allies tacked proposals to support the United States and modernize the AFP, including developing its capability for maritime security, domain awareness, and expeditious humanitarian response.¹⁴

The Trump administration also addressed the Philippines' concern about the U.S. security guarantee as stipulated in the 1951 MDT. In December 2018, Secretary of Defense Delfin Lorenzana announced the Philippine defense department would review whether the 1951 MDT remained relevant today.¹⁵ He pointed out that it was time for the MDT "to be revisited, given that its provisions were formulated in

¹² Ely Ratner, "Why Trump Was Right to Invite Duterte to the White House," *Politico*, May 3, 2017 ~ <https://www.politico.com/magazine/story/2017/05/03/trump-invite-duterte-white-house-philippines-215095>. See also Renato Cruz De Castro, "From Appeasement to Soft Balancing: The Duterte Administration's Shifting Policy on the South China Sea Imbroglia," *Stiftung Wissenschaft und Politik*, working paper, November 2019 ~ https://www.swp-berlin.org/fileadmin/contents/products/projekt_papiere/BCAS_2019_CruzDeCastro_Duterte.pdf.

¹³ De Castro, "The Trump Administration and the Management of the Philippine-U.S. Alliance."

¹⁴ "Joint Statement between the United States of America and the Republic of the Philippines," White House, Office of the Press Secretary, November 13, 2017.

¹⁵ "Lorenzana Orders Review of 67-Year-Old U.S.-Ph Military Pact," *Asia News Monitor*, January 2, 2019 ~ <https://search.proquest.com/docview/2161379801?accountid=190474>.

the early 1950s.”¹⁶ In response, the United States affirmed its support of provisions in the MDT. During his March 2019 visit to Manila, Secretary of State Mike Pompeo declared, “As the South China Sea is part of the Pacific, any armed attack on Philippine forces, aircraft, or public vessels in the South China Sea will trigger mutual defense obligations under Article 4 of our mutual defense treaty.”¹⁷ He also hinted that the United States would oppose the further building of military installations in the South China Sea. In separate talks with Duterte, Pompeo said: “Our commitments under the treaty are clear. Our obligations are real. The South China Sea is certainly part of an important body of water for freedom of navigation.”¹⁸

Managing the February 2020 Visiting Forces Agreement Crisis

By 2018, Philippines-U.S. security cooperation was characterized not by a total breakup, which had been a possibility after Duterte threatened to terminate the MDT, but by repeated engagements with a new agenda. By supporting counterterrorism and humanitarian assistance and disaster relief activities, the U.S. military bolstered pro-U.S. elements in Manila and created opportunities for the AFP to mitigate Duterte’s efforts to distance the country from Washington in favor of closer ties with Beijing. The siege of Marawi underscored the need for the alliance to adjust to the operational requirements of current threats confronting the Philippines.¹⁹

In 2019 the Philippines-U.S. alliance normalized with the resumption of warfighting scenarios that had been last staged in 2016. In April, armed forces from the United States, the Philippines, and Australia participated in the two-week Balikatan exercise to enhance their capabilities in joint combat and humanitarian operations.²⁰ Training included counterterrorism, amphibious and aviation operations, bilateral planning, subject matter expert exchanges, and civic assistance and humanitarian missions.

¹⁶ “DND Considering Review of Ph-U.S. Mutual Defense Treaty,” *Asia Pulse*, December 2018.

¹⁷ Ankit Panda, “In Philippines, Pompeo Offers Major Alliance Assurance on South China Sea,” *Diplomat*, March 4, 2019 ~ <https://thediplomat.com/2019/03/in-philippines-pompeo-offers-major-alliance-assurance-on-south-china-sea>.

¹⁸ “Lorenzana Says 67-Yr Old MDT Could Become Cause, Not Deterrent, for Chaos,” *Manila Bulletin*, March 5, 2019 ~ <https://mb.com.ph/?s=Lorenzana+Says+67-yr+Old+MDT>.

¹⁹ Renato Cruz De Castro, “A Middle Power between Appeasement and Limited Hard Balancing: The Philippines’ Strategic Dilemma in a Changing Indo-Pacific Region” (conference paper for the 2019 U.S. Naval War College and East Asia Security Centre Conference, October 2020) ~ <https://easc.scholasticahq.com/article/17816.pdf>.

²⁰ Eve Baker, “AFP, U.S. Forces Conclude Annual Balikatan Exercise,” *Marines*, April 12, 2019.

But the alliance again experienced a major crisis that would require U.S. resilience and patience when Duterte directed the Department of Foreign Affairs in February 2020 to terminate the 1999 Visiting Forces Agreement (VFA).²¹ Foreign Secretary Teodoro Locsin submitted the Philippines' notice of termination to the United States on February 11, 2020, giving the agreement 180 days before its termination went into effect. Both Philippine and U.S. diplomats and defense officials desperately tried to salvage the VFA and worried that a security vacuum in the Philippines could create an opening for further Chinese military buildup and expansion in the South China Sea.²²

However, Chinese naval maneuvers in the South China Sea drove the Philippines to once again shift the balance away from China. On February 17, 2020, a People's Liberation Army Navy corvette aimed its gun control director at the Philippine Navy's antisubmarine corvette BRP *Conrado Yap* near Commodore Reef in the South China Sea. Then, on July 3, Locsin filed a diplomatic protest against Chinese military exercises near the Paracel Islands and warned of the "severest response" if the drills spilled over onto Philippine-held land features in the South China Sea.²³ On December 25, 2020, China flew its largest military transport plane, the Y-20, to Fiery Cross Reef. Manila viewed this move as an indication of China's intention to further militarize this reef, which could place major Philippine cities, ports, and military facilities within striking distance of Chinese airpower.²⁴

The tense situation in the South China Sea in 2020 prompted the Philippine government to retract its termination of the VFA. The first suspension of the VFA's revocation in June 2020 was due supposedly to the exigencies of the Covid-19 pandemic. Foreign Secretary Locsin said that the second suspension was "to enable us [the Philippines] to find a more enhanced, mutually beneficial, mutually agreeable, and more effective and lasting arrangement on how to move forward in our mutual defense."²⁵ In November 2020, Philippine officials extended the VFA for another

²¹ Sofia Tomacruz, "Philippines Sends VFA Notice of Termination to U.S.," Rappler, February 11, 2020.

²² Ibid.

²³ Robert Sutter and Chin-Hao Huang, "China Faces Stronger U.S. Opposition in South China Sea," *Comparative Connections* 22, no. 2 (2020): 65 ~ <http://cc.pacforum.org/wp-content/uploads/2020/09/06-Ch-SEA.pdf>.

²⁴ Catharin Dalpino, "Waiting on Washington: Southeast Asia Hopes for a Post-Election Boost in U.S. Relations," *Comparative Connections* 22, no. 3 (2021): 61 ~ <http://cc.pacforum.org/wp-content/uploads/2021/01/05-22-3-US-Southeast-Asia-Relations-1.pdf>.

²⁵ Cliff Venzon, "Duterte Extends Philippines' Military Deal with U.S.," *Nikkei Asia*, November 11, 2020 ~ <https://asia.nikkei.com/Politics/International-relations/South-China-Sea/Duterte-extends-Philippines-military-deal-with-US>.

six months, signifying both efforts to bring security back to the South China Sea and to return the alliance to firmer footing before the U.S. presidential inauguration of Joe Biden.²⁶ On July 29, 2021, Duterte withdrew the letter of termination for the VFA after meeting with U.S. defense secretary Lloyd Austin during his first official visit to the Philippines. The following day, Secretary Lorenzana announced in a press briefing that the VFA is now in “full force” following a meeting between Duterte and Austin in Malacanang Palace.²⁷ Austin thanked Duterte for his decision, calling the Philippines a “vital treaty ally,” and declared that the two countries were “looking at new ways to deepen security cooperation.”²⁸

Can the Biden Administration Tip the Balance?

When Duterte fostered closer economic and military ties with China and Russia and threatened to sever the Philippines’ long-standing U.S. alliance, the Trump administration, newly in office, adopted a policy of strategic patience toward the Philippines. This policy encouraged the exercise of restraint and a focus on the long-term interest of both countries to keep the alliance intact.²⁹

U.S. strategic patience required resolving the preponderant problem of whether to extend U.S. treaty commitments to cover AFP units deployed in the South China Sea. The strategy also demanded maximum tolerance of the Philippines’ gambit of building closer economic and diplomatic relations with China. These unresolved issues prevented the Trump administration from enlisting the Philippines’ direct and full support for the “free and open Indo-Pacific” strategy and other cooperative efforts to balance China. Nonetheless, the alliance has persevered despite the swings in Philippine foreign policy and machinations in U.S.-China strategic competition.

President Biden has continued the strategic competition with China and will rely greatly on the support of U.S. allies. His administration may well consider adopting a policy of proactive strategic patience with the Philippines to maintain the alliance beyond the end of Duterte’s term

²⁶ “Philippines Delays Decision on Defense Pact with U.S. by Another Six Months,” Asia News Monitor, November 13, 2020.

²⁷ Stephen Dziedzic, “President Rodrigo Duterte Abandons Plans to End Crucial Defence Deal between Philippines and the United States,” ABC News (Australia), July 30, 2021 ~ <https://www.abc.net.au/news/2021-07-30/philippines-defence-deal-biden-visiting-forces-agreement/100338062>.

²⁸ Ibid.

²⁹ James J. Przystup and Phillip C. Saunders, “Asia and the Trump Administration: Challenges, Opportunities, and a Road Ahead,” National Defense University, INSS Strategic Perspectives, 2017, 24.

in 2022. More significantly, the United States should be able to tip the delicate balance between appeasement and alliance in favor of the latter, returning the Philippines to again be part of a defense and security system to counter China's expansionist designs in the South China Sea. The Biden administration can take the following measures to pursue a policy of proactive strategic patience.

Establish a bilateral "4+4" strategic, diplomatic, economic, and public health dialogue mechanism to advance a comprehensive partnership with the Philippines. Building on the idea of Brent Sadler, a scholar at the Heritage Foundation, this dialogue mechanism would aim to advance a comprehensive U.S. partnership with the Philippines and help prevent China from creating cleavage between the two partners.³⁰ With yearly meetings, this body could be chaired by defense, state, commerce, and health secretaries in a 4+4 format. Committees would address military access and exercises, economic and infrastructure development, trade and investment, and public health, including a Covid-19 vaccination program for the Philippines. This approach would help bolster the alliance in particular and improve bilateral relations in general after the June 2022 presidential election in the Philippines.

Provide a new military assistance package to support the AFP's modernization program. Alongside the renewed VFA, the United States and the Philippines should discuss a new military assistance package to build up the Philippines' antiterrorism and counterinsurgency capabilities and to transition from prioritizing internal security to external defense. Washington should impress upon Manila that the items on its military shopping list can only be obtained on a best-effort basis by the executive branch, since the U.S. Congress has the final say in economic and military assistance dispersals to recipient countries.

Offer the AFP a vigorous training and education program to support its modernization plan. The U.S. Department of Defense should engage the AFP in a vigorous training and education program relative to the Philippines' military modernization. Washington can invite large contingents of Philippine troops to jointly exercise in Guam or Hawaii, given that the Duterte administration has invested heavily in the AFP's minimum sea-lift capabilities since 2016. These joint undertakings should aim at developing

³⁰ See Brent Sadler, "The Philippines: Economic Statecraft and Security Interests Can Save a Critical Alliance," Heritage Foundation, Issue Brief, April 5, 2021, 5 ~ <https://www.heritage.org/sites/default/files/2021-04/IB6074.pdf>.

institutional as well as personal relationships between the AFP and U.S. service personnel.

Convince U.S. allies such as Japan, South Korea, and Australia to assist in the AFP's modernization program. Since 2010, Japan, South Korea, and Australia have been donating or selling some arms to the Philippines. The United States could organize its allies into a consortium that will coordinate and systematize these states' military aid to the Philippines alongside its own.

These policies would boost institutional ties between the Philippine and U.S. armed services. They are security measures that should be resorted to without delay, given China's persistence in asserting its maritime claims over the South China Sea. The Philippines has no choice but to constrain Chinese expansion through balancing, international law, multilateralism, or a combination of all these policies. The United States, Japan, South Korea, and Australia should all play a significant role in assisting the Philippines in nurturing the political will and building the necessary military capabilities to stand up against China in the South China Sea imbroglio into the third decade of the 21st century. ◆