
THE PHILIPPINES IN CHINA-U.S. RELATIONS: A STRATEGIC ASSESSMENT*

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INTRODUCTION

There is a growing recognition that the evolving security relationship between the United States and the People's Republic of China will shape the strategic landscape of the twenty-first century global politics. China and the United States are the two major powers that can make and unmake the world order of the 21st century.

Where can we locate the Philippines in the evolving security relations between China and the United States? Does the Philippines matter in China-U.S. security relations? What is the implication of the role of the Philippines in China-U.S. relations for the security of Southeast Asia?

This paper argues that the Philippines plays a significant role in the evolving security relations between China and the United States in the context of: a) China's strategic intention of expanding its influence in Southeast Asia to balance "American hegemony"; and, b) America's design to "hedge against" the rising China not only as an Asian power but a potential comprehensive global power.

This paper is divided into three major parts. Part One discusses the strategic importance of the Philippines from the American and Chinese perspectives. Part Two describes the role of the Philippines in the evolving US-China relations. Part Three examines the implications of the Philippines in U.S.-China relations for the security of Southeast Asia.

*Paper presented to the Institute of Asia Pacific Studies, Chinese Academy of Social Sciences, Beijing, China as visiting professor on 10-16 August 2003. This paper articulates the personal view of the author and not the official position of the Department of National Defense or the National Defense College of the Philippines.

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THE PHILIPPINES: A STRATEGIC COUNTRY?

The Philippines is a very strategic country.¹ It stands strategically at the crossroads of Asian and international trade, making it an important port of call for both the East and the West.² It is also within the immediate reach of its Asian neighbors: 2 hours by air from Taipei and Hong Kong, 4 hours from Tokyo and Seoul, 3.5 hours from Singapore; 7.5 hours from Sydney, 14 hours from U.S. West Coast and 18 hours from Europe.³

Because of its strategic location, the Philippines provides a natural gateway to other Asia-Pacific economies.⁴ Its strategic location also makes the Philippines an arena of major power competition, particularly between the United States and China.

An American Perspective

American strategists regarded the Philippines as a very strategic country in Southeast Asia. From 1898 to 1935, the Philippines became a very important colony of the United States serving as a vital instrument of American policy towards Asia. Although the American government granted the Philippine independence in 1946, the U.S. government did not let go of the Philippines. Some American literature even described the Philippines as America's most favored colony because of its strategic importance in America's anticommunist containment strategy in Asia. To maintain its strong grip of the Philippines and shape the direction of Philippine defense strategy, Washington left several "unequal" agreements with Manila, which prompted Filipino nationalists to describe the Philippines as an apparent neo-colony of the United States.⁵

The Mutual Defense Treaty (MDT) and the Military Bases Agreement (MBA) were the two major agreements that embedded the Philippines in America's security strategy towards Asia. The MDT signed in 1951, provided the legal basis of security alliance between the Philippines and the United States. Although the MDT does not guarantee automatic American retaliation if the Philippines faces external attack, the agreement provides the Philippines a psychological "security blanket".

The MBA, on other hand, justified the construction of U.S. Military facilities in Subic Naval Base in Olongapo, which supported the U.S. Seventh Fleet. Signed in 1947, the MBA allowed the establishment of military facilities at Clark Air Bases in Pampanga, the main post of the Thirteenth U.S. Air Force. These two major bases became instrumental during the American wars in Korea and Vietnam. When the Americans withdrew from Vietnam after the war, American bases in the Philippines served as the only American overseas bases in Southeast Asia supporting American forward defense strategy in Asia and the Pacific. When the MBA expired in 1991, it prompted the American forces to leave the Philippines in 1992.

American withdrawal from the Philippines left a very distressing indelible mark in Philippine-American security relations. The "once-strong" and "once-special"

relation became essentially moribund and was left on uncertain ground.⁶ The once “linchpin” of U.S. security strategy in Southeast Asia became practically strange.

The most apparent consequence of American departure from the Philippines is the reduction of U.S. forces in Southeast Asia. Since the withdrawal, which coincided with the end of the cold war, Southeast Asia has become a policy backwater in Washington.⁷ Some American analysts even criticized U.S. Withdrawal from the Philippines because of the perceived creation of a power vacuum in an area of strategic importance -- the South China Sea.⁸

Although the U.S. government has no interest in the ownership of contested islands, reefs and shoals in the South China Sea, it has enormous stake in the freedom of navigation in the area. The United States also has essential interest in deterring potential regional aggressor from posing threats against its allies in Southeast Asia.⁹ It has also been argued that American presence in Southeast Asia remains an important factor for the United States to project force globally, particularly in the Persian Gulf.¹⁰

Thus, after more than a decade of strategic neglect of Southeast Asia, the United States decided to return to Southeast Asia in the aftermath of 9/11. The reinvigoration of Philippine-American security alliance as a result of the global campaign against terrorism facilitated American strategic return to Southeast Asia.¹¹ In this strategic return, the Philippines serves as American Southeast Asian keystone and important strategic front not only against terrorism in Southeast Asia but also against what the Pentagon perceives as the future military competitor in Asia.¹²

A Chinese Perspective

If the United States regards the Philippines as a strategic country in advancing American interests in Southeast Asia, China also regards the Philippines as an important country in countering American “hegemony” in the region.

China’s strategic view of the Philippines is part of PRC’s view of its Asian neighbors, which Beijing calls “periphery countries” (*zhoubian guojia*).¹³ China considers these periphery countries as important in the realization of its vision of a multi-polar world order.

Although Western analysts have argued that China, as a regional power, has not yet developed a coherent regional policy towards its periphery, China has a “good neighboring policy” (*mulin zhengce*) developed in the early 80s.¹⁴ Its regional policy towards its periphery countries is called *zhoubian zhengce*. On the basis of this periphery policy, Beijing is paying greater attention to its neighbors to create a regional environment suitable to its economic development goals and national security objectives. From its a “good neighboring policy”, China is seeking warmer ties with its Asian neighbors, particularly with countries in Southeast Asia.¹⁵ It is also coming up with its own plan to cultivate closer ties with countries of the Association of Southeast Asian Nations (ASEAN), which includes the Philippines.¹⁶

Beijing's present relationship with Manila has predominantly been dictated by economic and cultural imperatives. But the Philippines has always been part of China's strategic space in Southeast Asia since the Sung Dynasty. Even before the advent of Spanish colonialism in the Philippines in the 16th century, China and the Philippines already had robust trade and commercial interactions, which dated back to 972 AD when the first emperor of the Sung Dynasty established a maritime trade office in the Philippine island of Mindoro (*Ma-i*).

Chinese historical records indicated that Filipinos went first to China before the Chinese came to the Philippines, indicating the importance of China to the Philippines.¹⁷ But China also had interests in the Philippines. China regarded the Philippines as a very important source of "colorful animals", pearls, frankincense, and myrrh, among others. When Mindoro traders went on a tribute mission to China to honor the emperor, these commodities were their gifts to the Chinese ruler. As a result, China enlisted Mindoro as feudatory princes of the empire.¹⁸

The Spanish colonial rule of the Philippines restricted but did not stop Philippines-China trade. In the struggle of the Philippines against colonial rule, the traditional Middle Kingdom of Asia closely watched the events in the Philippines because of their strategic implications for China. A Chinese scholar noted that China paid attention to the Philippines during the revolutionary period because of the following observations:

*The Philippines, in evicting the Spaniards and fighting the Americans is the vanguard of the struggle for independence in Asia. The victory of the Philippines will also help us, the yellow race, in our fight and put fear in the hearts of the white race.... The Philippine independence is watched closely by the Chinese because its influence on China will be great.*¹⁹

During the American rule of the Philippines, China resumed its robust commercial ties with the Philippines. Chinese businessmen became the largest distributors of American products in the Philippines.²⁰ Philippines-China trade was suspended after the Second World War when the Communist Party of China took over the government. Philippines-China trade relations only resumed in the 1975 when both countries normalized their diplomatic relations.

The on-going dispute over the issue of territories in the South China Sea intensifies Chinese strategic interests in the Philippines. As a claimant, the Philippines is in the list of Chinese strategic agenda because of their competing national interests over the issue of the South China Sea. The South China Sea issue makes the Philippines an important factor in China's security strategy in Southeast Asia.²¹

The Philippines' close security relationship with the United States is also a major factor in attracting Chinese strategic attention to the Philippines. China perceives that the United States can use the Philippines as a frontline state against China.

THE PHILIPPINE FACTOR IN CHINA-U.S. SECURITY RELATIONS

The evolving China-U.S. security relation is a major variable that can shape the present and future direction of international relations. China's rapid ascension as both an economic and a military power and the United States' position as the sole global power are tremendously affecting the foreign policy behavior of many players in international politics.

There is a strong view in the United States that China is a formidable power to contend with in the future. American security analysts have viewed China to be the "great American foreign policy problem in the 21st century"²² and a "potential peer competitor to the U.S. in world affairs."²³ The latest American Quadrennial Defense Review (QDR) argues that there is a possibility that "a military competitor with a formidable resource base will emerge" in Asia.²⁴ Although the QDR does not specifically finger-point China, other sources specifically identify China as the major military competitor of the U.S. in Asia, in general, and in Southeast Asia, in particular. The *Asia 2025* candidly states that "China will be a persistent competitor of the United States."²⁵ The United States Commission on National Security/21st Century warns, "the potential for competition between the United States and China may increase as China grows stronger."²⁶ Even the Global Trend 2015 prepared under the direction of the National Intelligence Council argues that the implications of the rise of China "pose the greatest uncertainty" in East and Southeast Asia.²⁷ The Commission on America's National Interests describes China as "America's major potential strategic adversary in East Asia."²⁸

The most revealing perspective on American view of China is the one articulated by the U.S.-China Security Review Commission. The Commission argues that U.S.-China security relation "is one of the most important and most difficult bilateral relationships" of the United States.²⁹ It describes China as an emerging global power that has the potential of defeating a superior power.³⁰ All these perspectives point to the tremendous concern of the U.S. on the rising power of China.

China, on the other hand, recognizes the global power preeminence of the United States. Thus, it exerts efforts to avoid being perceived as an American adversary. Although China resents America's unipolar moment, China welcomes American presence in Asia to strategically constrain the behavior of other rival powers like Japan and India. China's long-term vision, however, is the creation of a multi-polar world structure recognizing China as a responsible power. Beijing is not comfortable with unipolar structure of global politics dominated by the United States. In fact, China predicts the future decline of the United States,³¹ which it deems necessary for the emerging role of China in world politics.³²

China is wary of the American sponsored “threat theory” predicting that China might become an aggressive power when it becomes stronger. China is countering the “threat theory” arguing that the theory is groundless and harmful to the Sino-U.S. Relations. One Chinese analyst underscores that the idea that China’s growing power will cause havoc in regional security “has been an exaggeration of fear.”³³ This analyst also says:

*In fact, most proponents of the “China threat” theory are from the United States, Japan, India, India, plus a few from Russia. Obviously, these people worry about the prospect that China’s rise will either weaken their own country’s hegemonic position (for the US) or decrease the chance that their own country becomes a regional hegemon.*³⁴

Reacting to several reports from the United States viewing China as a “threat”, a Chinese official spokesperson underscores that China “has a history of peace-loving. If you have studied Chinese culture, you will find that the essence of Chinese philosophy lies in peace and harmony.”³⁵ A Chinese daily also argues the following to counter the “threat theory”:

*Obviously, the “theory of China threat” is intended to deteriorate China’s international environment and restrain its development. This argument not only affects the formulation of policies toward China by the United States and other Western countries, but also has extended to some neighbors of China. Some people in these countries are facing China’s development with a mindset of doubt and fear. This abnormal psyche has exerted adverse effects on these nations’ development of normal bilateral relations with China.*³⁶

The Philippines is significant factor in the evolving China-U.S. security relations in Southeast Asia. Both China and the United States are using the Philippines as one of the many ways to leverage against each other. The Philippines also serves as one of the many arenas of power competition between China and the United States.

Chinese View of the Role of the Philippines in China-U.S. Relations

Beijing is maintaining a stable economic and cultural relation with Manila as part of its overarching policy of establishing good relationships with its periphery neighbors. From Chinese strategic thinking, establishing good relationships with its neighbors can provide China with a relatively peaceful and secure environment conducive to its present goal of economic modernization, which is also an important prerequisite for its military modernization programs. China is also promoting closer political ties with the Philippines as part of its overall strategy of working and identifying closely with its Asian neighbors to enlarge its voice in world affairs and to increase its bargaining posture with other regional powers. The idea of an Asia-Pacific century has also prompted China to deliberately pursue a policy of “stand-by Asia” to promote the idea that China is a responsible and benign Asian power rather than a threat. During the 1997 Asian financial crisis, China is said to have demonstrated its being a responsible power

by opting not to devalue its currency in order to help its afflicted neighbors recuperate from the financial shocks. China also sent financial aid to some Southeast Asian countries to help them recover from the economic turmoil unleashed by the financial crisis.

China views the Philippines as an important country in pursuing its “stand-by Asia” policy in Southeast Asia. As part of its “stand-by Asia” policy, China is promoting the idea that Chinese prosperity depends on the prosperity of its Asian neighbors, including the Philippines. Although China and the Philippines have irritant relations over the issue of disputed territories in the South China Sea, both are putting this irritant issue under the rug to sustain their friendship and enhance their cooperation. In November 1996, in fact, Chinese President Jiang Zemin and Philippine President Ramos reached the understanding of “shelving the disputes and going for joint development” on the issue of South China Sea. In this mutual understanding, both countries also agreed to develop a bilateral consultative mechanism to explore ways of cooperation in the South China Sea. This mechanism includes the creation of three working groups on fisheries, marine environment protection and confidence-building measures on the South China Sea.

To fashion a new framework of enhanced cooperation relevant to the needs of the 21st century, China signed a joint statement with the Philippines on 16 May 2000. Called *Joint Statement Between China and the Philippines on the Framework of Bilateral Cooperation in the Twenty-First Century*, it recognizes that both countries have achieved “great progress in their cooperation in the political, economic, cultural, educational, scientific and technological and other fields on the basis of equality and mutual benefit.” To elevate China-Philippines relations to greater heights in the 21st century beyond economic, cultural, scientific and cultural relations, both agree “to make further exchanges and cooperation in the defense and military fields, strengthen consultations between their military and defense personnel and diplomatic officials on security issues, to include exchanges between their military establishments on matters relating to humanitarian rescue and assistance, disaster relief and mitigation, and enhance cooperation between their respective strategic and security research institutes.”

This Joint Statement reflects the strategic intention of China to broaden its ties with the Philippines. Broadening China’s bilateral relations with the Philippines is an important component of China’s grand strategy of expanding its influence in Southeast Asia to counter what it perceives as American’s blatant “hegemony” of the region.

China is aware of the strategic perspective that the Philippines is leaning more towards Washington because of socio-cultural and political legacies of the colonial era and the existence of their alliance mandated by the MDT. China does not have an illusion of winning the Philippines on its side in terms of alliance formation. In fact, China does not have experience in alliance formation. The primordial strategic concern of Beijing is to prevent alliances of its neighbors with outside power to be hostile to China.³⁷

China is becoming more and more disturbed by the growing Philippine-American security alliance because of the apprehension of using this alliance to strategically encircle China. Thus, China is developing cordial and constructive relationships with its Asian neighbors, particularly with the Philippines in Southeast Asia, to prevent them from being hostile to China and to convince them of its benign intention of creating a stable regional environment necessary for regional growth and prosperity.

In the midst of reinvigorated Philippine-American security relations in the aftermath of 9/11, several high ranking Chinese officials visited the Philippines to signal to the United States that Beijing is sustaining and cultivating greater friendships with its Asian neighbors.³⁸ Former Chinese Defense Minister Chi Haotian visited the Philippines in September 2002 to reaffirm Philippine-China defense cooperation in the midst of reinvigorated Philippine-American security relations. Prior to that visit, Li Peng, Chairman of the National People's Congress also paid an official friendly visit to the Philippines in September 2002.

Although these series of visits happened at the time when the Philippines hauled to court 122 Chinese fishermen who pleaded guilty of poaching in the Philippine waters in the South China Sea, the incident did not affect the outcome of the visits. Both countries even agreed to intensify their peaceful consultation on the South China Sea issue.³⁹ During Chi's visit, Manila released an official statement stressing that the "South China Sea is the sea that unites rather than divides the Philippines and China."⁴⁰

These series of Chinese officials' visits to the Philippines were components of a larger scheme to cultivate better relations with its Southeast Asian neighbors. Beijing is exerting tremendous efforts to appease its Southeast Asian neighbors' fears that China could be a regional threat.

American View of the Role of the Philippines in China-U.S. Relations

Because of the growing regional influence of China, especially in the economic front, the United States decided to return to Southeast Asia by reinvigorating its security alliance with the Philippines. The United States has realized its strategic mistake of abandoning its important military post in Southeast Asia by neglecting its security ties with the Philippines for almost a decade. China's decision to establish its presence in the Mischief Reef, not to mention its blue water navy development capability project, gave the United States a very loud wake-up call to return to Southeast Asia to avert the perceived "creeping assertiveness" of China.⁴¹

Initially, the United States "ignored" the Mischief incident because Southeast Asia was not part of the strategic priority of the Clinton Administration at that time. Washington adopted "neutrality" on the South China Sea issue believing that the Mischief Reef incident was a mere bilateral concern of the Philippines and China. Clinton's East Asian security strategy even downgraded the role of the Philippines in the over-all Asian policy of the United States. The 1995 American East Asian Strategic

Review barely mentioned the Philippines as an American ally in Southeast Asia and just relegated the Philippines under the general heading of ASEAN.⁴²

When China expanded its presence in the Mischief Reef in 1999, Pentagon already expressed anxieties, albeit very discreetly, about China's "military adventurism" in the area. Several American think tanks, however, raised the more serious alarm on China's "more sinister designs" in Southeast Asia.⁴³ Some American analysts expressed worries that China's so-called assertiveness in the South China Sea could compromise the freedom of navigation and could disrupt trade and commerce dependent on the sea lines of communication in the area.⁴⁴ Thus, there were moves in the United States and in the Philippines to rebuild Philippine-American security alliance to counter the growing presence of China in Southeast Asia.⁴⁵ These moves resulted in the signing of the Visiting Forces Agreement (VFA) in 1999.

American strategic intention in signing the VFA is to eventually re-establish its presence in Southeast Asia by conducting intensified joint and combined military exercises between American and Filipino forces. The reinvigoration of Philippine-American security alliance waving the banner of global campaign against terrorism further justified the conduct of Philippine-American joint and combined military exercises. These military exercises, in the form of *Balikatan*, facilitated the return of American troops to the Philippines resulting in the reestablishment of American military presence in Southeast Asia.

Beijing was suspicious of these exercises, especially the *Balikatan*, because of the perception that these exercises were strategically aimed at China.⁴⁶ Although Pentagon officially denies this perspective, there is a prevailing perception in China that the United States is re-establishing its presence in the Philippines to re-gain its foothold in Southeast Asia and strategically encircle China.⁴⁷ There is prevailing view in China that the United States is using the Philippines to regain its dominant position in Southeast and prevent China's regional influence from rising.

According to a prominent professor of Beijing University's School of International Studies, "If it's just anti-terrorism, China won't be too worried, but if fighting terrorism will lead to a stepping up of military exchanges between the United States and Southeast Asian countries, then China would be worried."⁴⁸ He also argues that "China doesn't want to see the United States using the fight against terrorism to set up military bases in Southeast Asia and have troops stationed there" because such action would be interpreted by Beijing as a threat and as partly targeted at China.

IMPLICATIONS FOR SOUTHEAST ASIAN SECURITY

Indeed, both China and the United States have competing strategic interests in Southeast Asia. In the pursuance of their respective strategic interests, the Philippines is caught in the middle of China-U.S. competition.

The United States has strong economic and strategic stakes in Southeast Asia. The region is a major destination for American foreign investment and remains an important U.S. trading partner. In 2001 alone, American combined two-way trade by Southeast Asian countries amounted to \$107B considered to be the third largest U.S. overseas export market after Japan and the European Union (EU).⁴⁹ The United States also regards Southeast Asia as the second front in its war against terrorism.⁵⁰

Like the United States, China also finds Southeast Asia as very important region. From a Chinese standpoint, Southeast Asia is “attractive, vulnerable, and nearby”⁵¹ because of the fish and mineral resources in the South China Sea, and the economic dynamism of its littoral states. It even views the South China Sea as very strategic water in Southeast Asia characterizes it (Nanyang) as “golden lands of opportunity.”⁵²

Countries in Southeast Asia are conscious of China-U.S. rivalry. Each Southeast Asian country maintains varying degree and level of bilateral relations with the two powers. But Southeast Asian countries also engaged these two powers multilaterally through the ASEAN. China and the United States are two major dialogue partners of ASEAN. Thus, ASEAN does not want to see China-U.S. rivalry affecting the constructive dialogue partnerships with the two powers.

Southeast Asian countries are fully aware of the growing influence of China. But they have repeatedly expressed confidence that China’s intentions are benign. ASEAN, in fact, views China as more of an opportunity, with concomitant challenges, rather than a threat in Southeast Asia.⁵³ ASEAN views China as partner in competition arguing that the “opening-up of the Chinese economy not only makes more formidable the challenge of China as a competitor of ASEAN for investments and export markets. It also presents a tremendous opportunity, offering a large – in many cases, new – market for ASEAN exports, for products of companies operating in ASEAN.”⁵⁴ Thus, Southeast Asian countries are deliberately eschewing a confrontational policy towards China in order not to forfeit the possibility of benefiting from China’s ascension as a comprehensive Asian power.⁵⁵

With this perspective of China, ASEAN is engaging Beijing in various mechanisms like the ASEAN+3, ASEAN-China Free Trade Area, Asia Pacific Economic Cooperation (APEC) and ASEAN Regional Forum (ARF). There is a converging perspective between China and ASEAN that their prosperity rests on each other. Thus, China is portraying itself as a responsible power in the region with the intention to establish a multi-polar world order.

To demonstrate to the international community that Chinese intention is benign, it released its defense white paper on 9 December 2002. This document reaffirms the “defensive” nature of its foreign and security policy and assures the world that “China will never seek hegemony, nor will it join any military bloc or crave for any sphere of influence.” Although it views the world as “far from being tranquil” with terrorism posing “a real threat to both global and regional security”, the defense white paper of

China underscores that “China will strive together with other countries in the world, to create an international environment of long-term peace, stability and security.”

But the United States is suspicious of Chinese strategic intention in Southeast Asia. There is a dominant thinking in the United States that China is actively engaging Southeast Asia to enhance its regional influence and pursue its plan to control the world.⁵⁶ The rising power of China, if not checked and managed, “will most likely result, over the very long term, in a more assertive China.”⁵⁷

The most revealing view describing American strategic interests in containing China in Southeast Asia is the RAND study on *The Role of Southeast Asia in U.S. Strategy toward China*. In this study, RAND examines the implications of rising China for U.S. security strategy and defense planning in Southeast Asia.⁵⁸ It regards China as a potential military threat to Southeast Asia because of the following observations:

- ♦ *An aggressive and hegemonic China could threaten freedom of navigation in the South China Sea, perhaps to coerce the United States, Japan, or the ASEAN states into accepting Chinese political demands. If faced with this prospect, the United States might seek support from individual ASEAN states to carry out a defense of the sea-lanes, or one of the ASEAN states might request such U.S. assistance. While U.S. naval forces would play the primary role in such a contingency, U.S. air power might also be called upon to protect U.S. naval forces or the territories and facilities of the ASEAN states against Chinese military attacks.*
- ♦ *China could try to forcibly establish and maintain physical control over all or most of the Spratly Islands, prompting requests for military assistance from one or more of the ASEAN countries. Such a Chinese operation could feature the threat or use of force against the territory of an ASEAN state, either to compel acceptance of Chinese demands or to defeat opposing military forces; alternatively, China could expand its “salami tactics” to assert control over more territory. Under either of these circumstances, ASEAN governments could request a more visible and substantial U.S. military presence, including emergency deployments of U.S. naval vessels and combat aircraft as a demonstration of America’s commitment to use force to meet its security commitments.⁵⁹*

This view of China will be reiterated in another RAND study entitled *The United States and Asia: Towards a New Strategy and Force Structure*. In this study, RAND urges the U.S. government to formulate a long-term strategy that precludes “the rise of regional or continental hegemon.”⁶⁰ It also urges the U.S. government to pursue a strategy that builds “on ensuring and strengthening U.S. hegemony in Asia” and if necessary take steps “to constrain the economic and military growth of any other country that could threaten that preeminence.”⁶¹

Although this particular RAND study does not single out China as a threat to U.S. preeminence in Southeast Asia, other RAND Report expresses worries that “growing Chinese power would at some point in the future likely result in a search for ‘hegemony’ understood as a quest for universal acceptance of its increased power, status, and influence as a legitimate right.”⁶²

The RAND perspective about the rise of China and its security implications for the balance of power in Southeast Asia is shared by another U.S. think-tank, The Council on Foreign Relations (CFR). The CFR created an independent task force to examine the relevance of Southeast Asia in American foreign and security policy. In its Report entitled *The United States and Southeast Asia: A Policy Agenda for the New Administration*, it argues that “China poses significant economic, military, and political challenges for the United States and for the national of Southeast Asia.”⁶³

Although the CFR Report admits that China has been cooperative on economic front and has actively participated in fledgling efforts at forging pan-Asian trade and financial arrangements, it warns that the “larger challenges arise from China’s emergence as a political-military actor” with the objective of “displacing the U.S. role in the region.”⁶⁴ On the basis of all these premises, the CFR Report contends that “China’s emergence will require an intelligent and constructive U.S. response in Southeast Asia.”⁶⁵

According to CFR Report, the highest American priority in the region is to prevent intra-regional conflict or “domination by an outside power or coalition.”⁶⁶ It urges the U.S. government to “ensure the preservation of both a credible military presence and a viable regional military training and support infrastructure.” It also appeals to the U.S. government to expand its *Balikatan* exercises with the Philippines and expand its CARAT exercises around Southeast Asia.

RAND offers the most candid recommendations to the U.S. government on how to deal effectively with China, to wit:

- ◆ *First, the United States should think in terms of a step-by-step approach to hedging. The initial phase of a hedging strategy should focus on shaping a more favorable security environment through engagement, dialogue, reassurance, and trust building.*
- ◆ *Second, over the next several years the United States will have an opportunity to cultivate stronger military ties with many ASEAN states and perhaps to play a behind-the-scenes role in facilitating closer intra-ASEAN defense cooperation. Military-to-military contacts should put priority on encouraging professionalism and modernization in a democratic context. Indonesia’s democratic evolution since the fall of Suharto has opened a window of opportunity for closer military-to-military ties with the Indonesian armed forces (TNI), and the scope of bilateral military cooperation could widen in a post-Mahathir Malaysia. The priority during this time frame should be to increase military engagement to foster habits of*

cooperation and interoperability. China might even be included in some of these activities as a transparency and confidence-building measure.

- ◆ *Third, until the Southeast Asian economies emerge from the economic crisis, **the United States should restore a robust security assistance program to allies in the region, particularly the Philippines.** Providing urgently needed air defense and naval patrol assets to the Philippines would help Manila to reestablish deterrence vis-à-vis China and give a further impetus to the revitalization of the United States-Philippine defense relationship. The United States should also restore full military-to-military ties with Indonesia and resume the transfer of military equipment and spare parts needed to prevent the further deterioration of Indonesian defense capabilities. (underscoring mine)*
- ◆ *Fourth, there are a number of low-key but valuable steps that the USAF could consider expanding military cooperation, trust, and confidence with ASEAN militaries. One especially fruitful approach would be to expand military-to-military contacts and training to assist ASEAN countries with the modernization of their air forces and the use of the assets to combat illicit drug trafficking, smuggling, and piracy. The U.S. program of engagement with Singapore could serve as a model to expand pilot training and officer exchanges. Exercise Cope Thunder could also be expanded to include other ASEAN countries. The USAF could increase periodic deployments of airborne warning and control system (AWACS) E-3 Sentry aircraft for training in a maritime surveillance mode with ASEAN military units. Additionally, the USAF could begin a dialogue on bilateral and regional cooperation to improve the effectiveness of anti-drug-smuggling operations, the delivery of disaster relief, and responses to environmental disasters. Specifically, these talks could address U.S. technical assistance in establishing a regional air surveillance network. All of these contacts would offer substantial mutual benefits without threatening China. Indeed, China could be invited to participate in some of these activities. At the same time, these interactions would help establish an improved atmosphere for closer United States-ASEAN military co-operation if warranted by the nature and direction of Chinese policies.*
- ◆ *Finally, given the near-term political constraints on significant ASEAN military cooperation with the United States, military and diplomatic planners should adopt a “portfolio approach” toward access and basing arrangements. In other words, as long as there is clear risk that internal instabilities and weak ASEAN governments could threaten loss of, or timely and unhindered access to, facilities, the United States should seek as much diversification as possible in its regional military infrastructure, consistent with operational and budgetary considerations.⁶⁷*

From the American perspective, the logic of all this is “to push Southeast Asia, however reluctantly, back toward greater reliance on the U.S. as a strategic counterweight to China.”⁶⁸ As underscored by the United States Commission on

National Security/21st Century, the U.S. should maintain a deterrent strength and engage China. The United States regards the Philippines as an important ally in Southeast Asia to advance its “deterrent” and “engagement” strategies towards China.

Southeast Asia welcomes American presence in the region to leverage against China and other Asian powers like India and Japan. As a matter of fact, Southeast Asia welcomes the presence of any power that would serve as a counterweight to China. But Southeast Asia is critical of U.S. presence because of American propensity to dominate and shape the strategic agenda of Southeast Asia. While they want American presence, Southeast Asian countries do not want American dominance. Through the ASEAN, Southeast Asian countries continue to adhere to the principle of non-interference as a blueprint for interstate relations and remain committed to the pursuance of the idea of zone of peace, freedom and neutrality in the region.

Thus, like China and the United States, the rest of Southeast Asian countries are also vigilant of Philippines’ relationship with the two powers. Southeast Asia welcomes American presence in the Philippines to re-establish American presence in the region for purposes of regional stability. Southeast Asia does not want to see Philippine-American relations developing into a partnership supporting American dominance of the region. Similarly, Southeast Asia welcomes the positive development in Philippine-China relations as part of ASEAN initiative to engage China for regional peace and prosperity.

CONCLUSION

The Philippines is an important factor in China-U.S. security relations. China is sustaining friendship and enhancing cooperation with the Philippines as part of its over-all strategy of improving its relations with its periphery neighbors to expand its regional influence. The United States, on the other hand, is reinvigorating its security alliance with the Philippines to “hedge” against rising China not only as a major Asian power but also a potential world comprehensive power.

The Philippines is in China’s strategic radar not only because of its interests in the South China Sea and the economic dynamism of its littoral states but also because of its existing security alliance with the United States. China is wary of Philippine-American security alliance because the United States can use this alliance to “contain” China. Beijing does not want to see Philippine-American alliance being used against China arguing that China is posing no threat to the Philippines and to the region.

The United States, on the other hand, is holding on with its security alliance with the Philippines because of its geo-strategic importance in advancing American interests in Southeast Asia. It is in the interests of the United States to maintain its alliance with the Philippines to assure the freedom of navigation in the South China Sea in order to

promote American commercial interests in Southeast, to check the growing power of China and most importantly, to maintain regional stability.

In the midst of China-U.S. power competition, the Philippines is in strategic dilemma of balancing its relations with the two major powers. China is the Philippines' growing close neighbor that it cannot ignore. The Philippines views that its prosperity also depends on the prosperity of Southeast Asia, which depends on the prosperity of China, and vice versa.

The United States, on the other hand, is the Philippines' "distant relative" having been the "American little brown brother". Aside from its huge market for Philippine products and a favorite destination of Filipino immigrants, the United States continues to provide the Philippines a security umbrella. The historical and cultural bases of Philippine-American relations are already embedded in the psyche of Filipino policy-makers. Thus, when the United States designated the Philippines as its major non-NATO ally, the Philippines expressed utmost jubilation.

The Philippines is apparently torn between its close neighbor and its distant relative. How to balance its relations with these competing powers remains a big strategic puzzle in the Philippines. While it is in the national interests of the Philippines to intensify its security alliance with the United States, it also in the national interests of the Philippines to sustain friendship and enhance cooperation with China.

END NOTES

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¹² See “The Philippines: Southeast Asian Keystone”, *Power and Interest News Report* (3 February 2003) at <http://www.yellowtimes.org/article.php?sid=1044> [Accessed on 17 July 2003]; Larry Chin, “The United States in the Philippines: Post 9/11 Imperatives” at www.onlinejournal.com [Accessed on 24 October 2002]; and, Angel M. Rabasa, “Southeast Asia After 9/11: Regional Trends and U.S. Interests” (Testimony presented to the Subcommittee on East Asia and the Pacific House of Representatives Committee on International Relations on 12 December 2001).

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⁴⁴Ibid.

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⁵³See Rommel C. Banlaoi, “Southeast Asian Perspectives on the Rise of China: Regional Security After 9/11”, *Parameters*, Vol. 23, No. 2 (Summer 2003).

⁵⁴ See Rodolfo Severino, “ASEAN and China – Partners in Competition” (Remarks by the Secretary-General of the Association of Southeast Asian Nations, at the ASEAN Forum sponsored by the ASEAN Consulates Guangzhou, 9 June 2001).

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⁶³ Kerrey and Manning, p. 17.

⁶⁴ Ibid., p. 39.

⁶⁵ Ibid., p. 38.

⁶⁶ Ibid., p. 45.

⁶⁷ Sokolsky, Rabasa and Neu., pp. 75-76. The author decided to quote *in toto* the whole recommendations to capture the whole message of the study.

⁶⁸ Ott, op. cit.