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Exploring the Philippines' Evolving Grand Strategy in the Face of China's Maritime Expansion: From the Aquino Administration to the Marcos Administration

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Abstract

This article explores the Philippines' evolving and changing grand strategies in confronting China's maritime expansion in the South China Sea. From 2010 to 2016, under the Aquino administration, the Philippines challenged China's extensive claim over the disputed waters by adopting a hard-balancing approach. In 2016, the succeeding Duterte administration pursued an appeasement policy; in 2018, it shifted to a limited hard-balancing policy because of (a) continuing Chinese coercive actions against Armed Forces of the Philippines units in Philippines-occupied land features in the South China Sea and (b) China's failure to deliver on its promised public investments in the country's infrastructure building programme. President Ferdinand Marcos Jr initially adhered to his predecessor's strategy of limited hard-balancing. Seeing no change in China's stance on the maritime issue, he resorted to a hard-balancing policy. He has vigorously supported the steady modernisation of the Philippine military and strengthened the country's defence ties with the United States and other like-minded security partners while maintaining cordial diplomatic and economic relations with China. This article argues that the Philippines' evolving grand strategy has the following elements: (a) Admitting

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that China's maritime expansion is the quintessential threat to Philippine national security; (b) pursuing a policy of maintaining the status quo in the West Philippine Sea/South China Sea; (c) acknowledging the urgency to shift the focus of the Philippine military from internal security to territorial defence; and (d) fostering its alliance with the United States and its security partnerships with other American allies and partners.

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Keywords

Philippine grand strategy, appeasement, limited hard balancing, hard balancing alliance, Philippine arms modernisation

During the second visit to Manila of U.S. Defence Secretary Lloyd Austin on 2 February 2023, Filipino and U.S. defence officials announced that additional Philippine military facilities would host U.S. forces under the 2014 Enhanced Defence Cooperation Agreement (EDCA). This announcement boosted the Biden administration's efforts to expand the American strategic footprint across the first island chain to counter China's aggressive moves against Taiwan. In September 2022, after then-U.S. House Speaker Nancy Pelosi visited Taiwan, the People's Liberation Army (PLA) Eastern Theater Command deployed several fighter jets, bombers, and other aircraft around Taiwan in intense combat exercises directed against the self-governing island (Perlez et al., 2022). At the same time, the PLA Navy (PLAN) dispatched more than ten destroyers and escort vessels coming from different directions in waters surrounding Taiwan, which the Chinese state media described as containment and control operations (Perlez et al., 2022).

The EDCA's new provision would add four more sites to the five Philippine military bases that American forces already use for training, pre-positioning equipment, taking off and landing operations, and other functions. For months, American foreign and defence officials had been negotiating with their Philippine counterparts for access to the sites. These locations would provide U.S. forces with a strategic vantage point from which they could mount rapid military operations in the event of an armed confrontation between the United States and China over Taiwan, which is more than 250 miles north of Luzon or the South China Sea (Perlez et al., 2022). The U.S. Department of Defence regarded the expanded EDCA agreement as a "pillar of the U.S.–Philippines alliance" that will "make our alliance stronger and more resilient and accelerate the modernisation of our combined military capabilities" (Garamone, 2023).

On 3 April 2023, the Philippine government revealed the locations of the new EDCA sites available for U.S. troop deployments. The Chinese embassy in Manila quickly opposed American strategic access to these Philippine bases (Sutter and Huang, 2023b). Former Chinese foreign minister and Politburo member Wang Yi warned President Marcos not to "lose the momentum" of his agreement with President Xi

Jinping regarding the appropriate management of the South China Sea differences (Sutter and Huang, 2023a, 2023b).

Beijing's adverse reaction stems from the fact that American access to the bases would hamper Chinese military operations within the first island chain. The bases would also enable the United States to support naval and air operations effectively to uphold the maritime order and assist Taiwan's defence strategically (Huang, 2023). A senior Australian defence analyst, summing up the broader diplomatic and strategic implication of the expanded accord, said: "The agreement would strengthen the cordial relationship between the US and the Philippines at the expense of China's ambitions to have a dominant presence and influence" (Huang, 2023).

Along with its commitment to fund the third horizon of the Armed Forces of the Philippines (AFP) modernisation programme, the Marcos administration's decision marked the return of the Philippine policy of hard balancing towards China, reminiscent of the early 2010s when the late President Benigno Aquino III adopted the strategy. In late 2016, then-President Rodrigo Duterte reversed his predecessor's approach by adopting a policy of appeasement. In a conciliatory gesture, he extended two critical concessions to China – downgrading the Philippines–U.S. alliance and putting aside the 12 July 2016 arbitral ruling on the South China Sea dispute favourable to the Philippines. After five years, President Duterte shifted to limited hard balancing.

The three presidents' collective security decisions induce theories on how the Philippines should secure itself against an existential security threat. Their respective approaches are all part of the country's more comprehensive and evolving grand strategy in a changing Indo-Pacific region. Overall, the policies can be considered grand as they are meant to offer strategic choices regarding the prioritisation of resources vis-a-vis national security.

This article explores the Philippines' evolving grand strategy in response to China's maritime expansion in the South China Sea. It raises this central question: What is the evolving grand strategy of the Philippines in the face of a rapidly changing Indo-Pacific region? It also addresses these corollary questions: (1) How does China pursue its expansive maritime claim in the South China Sea? (2) What grand strategies has the Philippines adopted in response to China's expansionist and coercive moves? (3) What domestic and external factors account for the changes in Philippine grand strategy? (4) Why has the Marcos administration adopted a hard-balancing policy? and (5) What are the components of this hard-balancing policy?

Exploring Twenty-First-Century Philippine Grand Strategy

A defining element in the conduct of Philippine foreign policy from 2011 to 2022 is how the country's presidents have changed their approaches in managing its most precarious security challenge in the twenty-first century. Under the late President Aquino, the Philippines challenged China by relying on three major instruments – military modernisation, strengthening the country's alliance with the United States and using international law, specifically the United Nations Convention on the Law of the Sea (UNCLOS).

President Duterte adopted a diametrically different approach, shifting the Philippines' confrontational policies to a more conciliatory stance of seeking bilateral consultation with China and joint development. The Marcos administration initially sought a balanced relationship with both major powers. Continuous Chinese harassment of the Philippine Coast Guard (PCG) and Filipino fisherfolk pushed President Marcos to adopt the confrontational policy of the late President Aquino III.

The focus on the changing dynamic of Philippine foreign policy from 2010 to the present reflects the preoccupation with the shifts from one administration to the next or even within a single presidency. The longer-term and profound issues encompassing the Philippines' approach to major global strategic developments, specifically China's emergence as an economic powerhouse and military power, are missing in this academic discourse. Exploring the three administrations' inclusive approaches is necessary to uncover the core pillars underlining an evolving Philippine grand strategy in the twenty-first century.

Professor Edward Mead Earle of Columbia University developed a grand strategy to serve American policymakers and the wider public to apprehend the broad and ever-increasing spectrum of issues that generated potential military and diplomatic threats to the United States in the late 1930s (Ekbladh, 2011/2012). The concept of a grand strategy is premised on a realist/neorealist view of the international system as it provides logic for decision-makers to choose among options when prioritising resources for the state's interests and security against external threats and possible opponents (Ortmann and Whittaker, 2019). This logic is based on the following assumptions: (1) The international system is anarchic since there is no governing authority to protect individual states; (2) A state's paramount goal is to survive as an independent entity; (3) No state can truly know and trust another state's intention since they could change anytime; and (4) These three facts mean that competition over power and resources is a perpetual condition of global politics (Paul, 2018). This requires a state to have a long-term, multidimensional scheme or plan for securing and enhancing its power and prosperity in the face of a dangerous and anarchic international system (Ortmann and Whittaker, 2019).

A grand theory provides the realist view about how a state should secure against threats, the logic for choices among its priorities in terms of the allocation of resources, and the goals to guide decision-makers (Trevor Thrall, 2018). A grand strategy's core objective is to ensure a state's survival in a world where threats against it loom large. Any form of grand strategy subscribes to the three realist values – statism, survival and self-help – that collectively account for the primary importance of national security. The formulation of a grand strategy involves a three-step process: (1) Decision-makers must determine their state's vital security goals; (2) They must identify the primary source of threats to these goals; and (3) They must ascertain the critical political, economic, and military resources that may be employed as policy options to protect and enhance their national security objectives (Schmidt, 2012).

A grand strategy is far less variable than a foreign policy that changes from one government administration to another. In this respect, a grand strategy is different from foreign policy. On the one hand, foreign policy pertains to specific decisions made on

behalf of the state, entailing the implementation of goals with direct reference to developments in its external environment (Brighi and Hill, 2012). Implementing foreign policy entails the pragmatic response to discuss and resolve a contentious issue with other relevant states through diplomacy (Brighi and Hill, 2012). If diplomacy is unproductive, a state may apply other foreign policy instruments to incentivise compliance by various forms of positive or negative sanction below the threshold of actual conflict. On the other hand, a grand strategy is about theories on how a state should secure itself against primarily external threats (Thrall and Friedman, 2018). It is defined as the overall vision of a state's national security goals and determining the most appropriate means to achieve them, including using force (Schmidt, 2012). Unlike foreign policy, the implementation of a grand strategy depends on the weight attached to military power and alliances relative to the diplomatic means, how intensively costly strategies like military buildups and modernisations are implemented and how these costly measures are sustained (Trubowitz, 2011). Finally, states adopt a diplomatic strategy to change the more significant and expansionist powers' cost-benefit calculations with their behaviour towards the smaller powers. A state that has adopted a grand strategy implies that it is seeking to aggregate diplomatic, economic and military capabilities to diminish, deter or, if necessary, defeat a powerful, expansionist and coercive bigger power.

A critical security challenge that a state faces at any given time is how it should address uncertainties generated by an emergent power wanting to alter the status quo. A middle power confronted by an emergent power pursuing a *realpolitik* foreign policy can adopt three grand strategies to manage this systemic threat: hard balancing, appeasement, and limited hard balancing. Leaders attach greater weight to one strategy (Trubowitz, 2011). Hard balancing aims to strengthen the state's ability to defend its vital interests in a perceived threat through arms buildup and alliance formation (Trubowitz, 2011). It involves internal and external balancing policies directed against a specific threat; it can also consist of more general treaties of mutual support regardless of the precise identity of the threat (Walt, 2009). A state adopting such a policy needs to fulfil two conditions: (a) A perception that the existence of a rising or hegemonic power threatens its sovereign existence and territorial integrity; and (b) the presence of allies with which to match the power of the rising hegemon if it cannot accomplish this by its internal arms buildup efforts (Paul, 2018).

Appeasement involves extending concessions to an emergent power in the hope that its aggression will be moderated or terminated, sparing the appeasing state a costly war and possibly establishing peaceful and cooperative relations with the emergent power. It cannot be considered a form of bandwagoning, as balancing strategies can accompany or preclude an appeasement policy once the appeasing state's military and diplomatic potentials develop relative to the threatening power's overall capabilities. A state can also pursue limited hard balancing, which relies on limited arms buildup and semiformal alliances such as strategic partnerships that allow joint efforts and sharing of strategic resources but not offensive warfare or operational coordination (Paul, 2018).

Grand strategies should be differentiated from diplomatic strategies, such as hedging, limited alignment, binding, soft/institutional balancing, and socialisation. On the one

hand, grand strategies are costly as they require the buildup of domestic military capability, acquisition of weapons systems from allies and security partners, taxation to raise the necessary defence budget, and risky reliance on a more powerful ally that can be undependable and might extract diplomatic commitments from its weaker partner (Trubowitz, 2011). In formulating grand strategies, decision-makers' attitudes are affected by the limited availability of resources to be invested in military capability and the factors that affect their economic growth (Trubowitz, 2011). Furthermore, grand strategies are formulated to prepare a country for the prospect of an armed conflict. On the other hand, the abovementioned diplomatic strategies are practically cost-free and are designed to prevent war and other forms of armed confrontation. They are considered primarily status quo strategies aimed at reducing the cost of a state's foreign policy commitment, ensuring that the national wealth is not taxed, requisitioned or expropriated (Trubowitz, 2011).

Almost all ASEAN member-states relied on hedging, compensating, partial bandwagoning strategies, and other diplomatic measures to avoid costly and risky decisions and destructive wars (Paul, 2018). Since 2011, the Philippines has moved beyond these diplomatic strategies as it adopted the three grand strategies. Of late, it has resorted to hard balancing.

China's Maritime Expansion in the South China Sea

In November 2012, President Xi declared that China's long-term goal is the realisation of the Chinese Dream through the "Great Rejuvenation of the Chinese Nation" (Lida, 2019). Two main principles underlie this grand strategy: (a) Creating an international environment favourable to China's development through cooperative relations with other countries and (b) protecting China's core interests, even if it means straining relations with other countries (Lida, 2019). Expectedly, China's foreign policy is aligned with these two principles and no significant changes are expected as long as President Xi is in power (Lida, 2019).

The following year, China announced its pursuit of periphery diplomacy with its neighbours. Its objectives are as follows: (a) To drive a wedge between the United States and countries that have problems that China views as inimical to its core interests and (b) to curb military alliances and existing international systems while creating new frameworks that do not include the United States (National Institute for Defense Studies, 2015). In its conduct of peripheral diplomacy, China seeks to deepen its economic ties with Southeast Asian countries through trade, currency circulation, and, more importantly, massive outlays for infrastructure development and construction (National Institute for Defense Studies, 2015). At the same time, it determinedly pursues its policy of expansion in the South China Sea.

China's expansionist design stems from its geographic proximity, historical baggage and the implications of the constantly changing dynamics of Chinese comprehensive power and presence in maritime Southeast Asia. It asserts sovereignty over 80 percent of the South China Sea, the Paracel Islands, and the Spratly Islands, also claimed by

four littoral countries: the Philippines, Brunei, Malaysia, and Vietnam. In the short term, China seeks de facto control of the disputed waters, which is true but not in official law. In the long run, it aims to attain de jure control or official/legal recognition of Chinese sovereign rights over its expansive claims in the South China Sea (Verblaauw, 2021).

China's maritime expansion has increased with the dramatic growth of its navy and maritime services (Huang, 2015). It conducts numerous naval exercises to support its maritime claim, employing more modern surface combatants and submarines (Lida, 2019). These simulated war games are staged to show China's determination to unilaterally and militarily resolve the dispute, flaunt its naval power and impress upon the other claimant states its de facto ownership of these contested maritime territories. In the process, the Chinese navy backs Beijing's official claim that the South China Sea is its territorial waters. Thus, China's expansive maritime stake in the South China Sea enhances its territorial integrity and ensures national security (Scott, 2007).

By the end of the first decade of the twenty-first century, China's myopic nationalism, growing naval prowess, and unilateral actions were overtly directed against a militarily weak Southeast Asian country – the Philippines. The other littoral states consider this an ominous sign of Chinese maritime expansionism in an area of key strategic location and potential resources. Vietnamese and Philippine public and fishing vessels are harassed, detained, or fired upon by Chinese patrol craft. These Chinese bullying tactics force the claimant states to withdraw from the disputed area (Shoji, 2019). Eventually, control of the South China Sea will provide China with maritime trade security, in-depth defence of the mainland, and greater hydrocarbon production (Verblaauw, 2021). All these moves are directed towards one specific objective in the maritime imbroglio – “to change the (territorial) status quo by force based on Chinese assertion, which is incompatible with the existing order of international law” (National Institute for Defence Studies, 2014).

The Tribulations of an Archipelagic State

Composed of about 7,199 islands, the Philippines occupies a wide maritime area stretching 1,850 km from about the 5th to the 20th parallel north. Of these more than 7,100 islands, only 1,000 are inhabited. The land surface is 114,830 square statute miles, criss-crossed with mountains and drained by small rivers (Agoncillo, 2012). Its topographic area consists of several islands surrounded by a significant expanse of water. To defend these islands, it is crucial to have command of the sea through the prepositioning and strategic deployment of a sizable naval force (Giagonia, 1996). Specifically, the Philippines needs to develop a credible maritime fleet capable of surface, anti-submarine, amphibious, mine and special operations warfare, along with sealift, surveillance, and naval gunfire capabilities for supporting ground operations by the Philippine Marines and Army (Giagonia, 1996). Unfortunately, the country's limited resources, challenging topography and negative views among the Filipino political elite make defence against external threats untenable. This view is further aggravated by the Philippines' geographic

isolation from the rest of Asia. It nurtured a common but erroneous assumption that its maritime borders would be an impenetrable moat against foreign aggression.

The political elite's reluctance to increase the defence budget essential to develop a powerful navy arose from their belief that the armed services should remain a constabulary force engaged in asymmetric or low-intensity conflicts. Since 1946, the Philippines' national security concerns have been rooted in disputes concerning the identity of the nation-state, regime legitimacy, socioeconomic inequality and other issues plaguing the state and society. Hence, land-based security threats were prioritised, while maritime security received scant attention (Gavan, 2012). This condition was reinforced by the absence of visible external threats on the Philippines' maritime domain and the country's heavy reliance on the United States for its external defence requirements (Gavan, 2012).

The Philippines is a unitary state with a winner-take-all electoral system. The president exercises enormous power over budgets, appointments, and congenitally fragmented political parties. The head of state's ability to implement policies and government programmes expeditiously is often thwarted by the Philippine Congress, which acts as a watchdog against abuse of power by the executive branch. Usually, Congress has difficulty articulating and implementing broad policy objectives, governance, and national security programmes (Lum and Dolven, 2014). Political parties and other sectors, such as the bureaucracy and the military, also fail to implement policies effectively. They tend to be tenuous and shifting, driven primarily by individual personalities and interests rather than by overarching ideologies and coherent policy platforms with clearly defined goals (Lum and Dolven, 2014). The traditional political elite's longevity and adaptability remain constant in Philippine politics. They exert a powerful influence over policymaking and the distribution of resources, usually geared for their perpetuation in power rather than developing an adequate navy for maritime/territorial defence capabilities.

The Philippine president plays a central role in determining policy outcomes and the norms and behaviour that shape politics, governance, and national security. Nonetheless, he is limited to a six-year term with transitory power and influence (Timberman, 2019). Moreover, the chief executive determines and sets security and foreign policy directions, with his personal opinions and priorities powerfully shaping them. Therefore, when a new president assumes office, there is no systemic and legal guarantee of continuity from the predecessor to the successor, so foreign and national security policies can be retained, modified, or discarded when the head of state changes (National Institute for Defence Studies, 2017). This is reflected in the shifts in Philippine grand strategies from 2011 to 2022.

The Shift from Internal to External Defence

The late President Aquino pursued a hard balancing strategy. On 2 March 2011, two Chinese patrol boats harassed a survey ship commissioned by the Philippine Department of Energy to conduct natural gas exploration in Reed Bank (also called Recto Bank). Reed Bank lies 150 km east of the Spratly Islands and 250 km west of the Philippine islands of Palawan. Stunned by this maritime encounter within the

Philippines' EEZ, the Aquino administration filed a protest before the Chinese embassy in Manila. Brushing aside the Philippine complaint, a Chinese embassy official declared that China has indisputable sovereignty over the Nansha (Spratlys) Islands and their adjacent territory. Beijing demanded that Manila first seek Chinese permission before conducting oil exploration activities even within the Philippines' EEZ.

President Aquino hastened to develop the AFP's territorial defence capabilities. The goal was to develop post-haste a "comprehensive border protection programme". The defence plan was very modest – establishing a credible posture for territorial defence and maritime security by building a competent force capable of safeguarding the country's interests and the land features it occupies in the South China Sea (Secretary of National Defense Voltaire Gazmin, 2011). Cognizant of its limited military capabilities, the Philippines strengthened its security ties with the United States and forged a security partnership with Japan.

In 2012, the Philippines became the exemplar of the Obama administration's rebalancing strategy. President Aquino cleverly linked this development to the Philippines' military modernisation programme and external defence requirements (Simon, 2013). The strategy necessitated stationing American military assets on a rotational basis in the Southeast Asian countries willing to host them. Thus, the Philippines became the centre of Washington's efforts to enhance the American strategic footprint in Southeast Asia. As support, the United States increased its military assistance to the Philippines from US\$30 million to US\$50 million in 2013. Washington provided Manila with two refurbished Hamilton-class cutters for the Philippine Navy (PN). These surplus U.S. Coast Guard vessels helped the AFP transition from its inward-focused internal security function to an outward-oriented one directed at territorial defence. It also required the PN to maintain a considerable naval presence in the West Philippine Sea.

The two allies negotiated an agreement to authorise the positioning of U.S. equipment and the rotational and deployment of more American military personnel for a more extended period in Philippine military bases under the 1999 Visiting Forces Agreement (Simon, 2013). In 2014, the EDCA was signed. Under this arrangement, the United States could preposition aircraft used during exercises with the Philippine military to save on turnaround time and fuel.

From Appeasement to Limited Hard Balancing

At the onset, the Duterte administration considered that there must be a balance between ensuring Philippine security externally and addressing domestic matters such as maintaining public order and earning China's cooperation and economic assistance for developing the Philippine economy (National Institute for Defense Studies, 2017). President Duterte sought to improve relations with China with an eye to increasing economic cooperation, so he decided to soften the Philippines' confrontational stance in the South China Sea dispute by adopting a policy of appeasement (National Institute for Defense Studies, 2017).

Hence, he veered from his predecessor's challenging policy towards Beijing. He reacted with sobriety and extreme caution when the UNCLOS Arbitral Tribunal came out with the 12 July 2016 awards. A few months later, President Duterte set aside the arbitral ruling to seek trade, economic and diplomatic concessions from China. Indeed, his open contempt for the Philippines' alliance with the United States, his optimistic pronouncements on China, and his willingness to accept Beijing's preferred means of managing the South China Sea dispute, such as direct bilateral negotiations and joint development, are diametrically at odds with the conventional design and trajectory of twenty-first-century Philippine foreign policy on these critical issues (Bautista, 2016).

President Duterte's appeasement policy was not a case of bandwagoning because his administration continued to challenge China's expansion. A balancing strategy accompanied this policy as he took concrete measures to improve the Philippines' diplomatic and military capabilities relative to China. In 2018, despite the Philippines–China rapprochement, the Duterte administration countered Chinese maritime expansion and show of force by building up the AFP's capabilities and by seeking greater clarity in the scope of American security obligations, as defined in the 1951 MDT, from the Trump administration. It also effectively applied the rule of law in the international framework by challenging the legal basis of China's expansive claims by citing the awards to the Philippines by the UNCLOS Arbitral Tribunal in the South China Sea Arbitration (National Institute for Defense Studies, 2021).

The AFP, in its *2019 National Military Strategy* (NMS), provides how the Philippine military will be organised, employed, and equipped to address the country's external security challenges. It rejects any notion that China would ever become a security partner of the Philippines and does not provide specific actions on how the Philippines could establish and maintain any form of defence diplomacy with China (Sarmiento, 2022). Instead, the *2019 NMS* directs the AFP to develop its capabilities to address various threats to national security by developing the necessary military competencies for internal security, disaster response, and territorial defence. The document reveals that the Philippine military deems China a threat to national security (Armed Forces of the Philippines, 2019). It notes that the Philippines' key security challenge is to manage and control further militarisation and other contentious activities of Chinese entities in the West Philippine Sea (Armed Forces of the Philippines, 2019). It admits that the AFP's ability to defend the national territory, particularly in the context of the South China Sea territorial disputes, is constrained by resource limitations and capability gaps. It recognises that while there have been past efforts to modernise the Philippine military, there is a wide disparity between the AFP's capabilities and the PLA's more advanced naval and maritime capabilities. Consequently, despite President Duterte's efforts to downgrade the Philippines–U.S. alliance, the *2019 NMS* accepts that the United States should be included in the AFP's strategic planning and defence and specifies that the Philippines shall invoke the 1951 MDT in case of Chinese aggression and use of force (Sarmiento, 2022).

In June 2019, President Duterte agreed to bankroll the second phase or horizon of the AFP's 15-year modernisation programme. The first phase, which began in 2013 and

ended in 2017, entailed the acquisition of military equipment mainly for internal defence. The second phase, from 2018 to 2022, was an ambitious and expensive transition period in which the Philippine military concentrated on arms purchases for territorial defence. Identified as essential military hardware to be acquired during this period included multi-role fighters, helicopters, and long-range patrol aircraft for the Philippine Air Force (PAF); frigates, corvettes, and submarines for the PN; and multiple launch rocket systems, weaponry, and night-fighting equipment for the PA.

President Duterte also kept the Philippines–U.S. alliance intact and allowed the AFP to implement the 2014 EDCA. He realised that managing the alliance depended on two critical security issues – the South China Sea dispute and the growing Islamic State of Iraq and Syria (ISIS) threat in Mindanao. Hence, he pushed for clarification on the scope of the U.S. security obligations under the 1951 MDT (National Institute for Defense Studies, 2021). He also bolstered the Philippines–Japan security partnership and stabilised Philippines–Australia bilateral relations. These moves implied that, despite his efforts to improve bilateral ties with China and Philippines–China economic relations, he saw the need for equibalance with two middle powers – Japan and Australia.

The administration shifted to a strategy of limited hard balancing toward China five years into the President’s six-year term. This was the result of two developments: (a) China’s failure to deliver the promised loans and direct investments to finance the Philippine government’s “Build, Build, Build” programme and (b) increasing Chinese naval presence in the Philippines-controlled areas in the South China Sea. During the Duterte administration, China agreed to finance three major railroad projects in the Philippines: (a) the US\$2.5-billion South Luzon Rail Project; (b) the US\$1.45-billion Mindanao Commuter Rail Line; and (c) the US\$896-million Subic Bay–Clark Freeport Zone Rail Project. China funded the preliminary feasibility studies for the projects. However, it did not provide a short list of possible Chinese contractors to the Philippines and, eventually, it lost interest in financing the projects (Strangio, 2023). Moreover, despite the Philippines–China rapprochement, China Coast Guard (CCG) and navy vessels obstructed the movements of PN and PCG vessels and the operations of fishing boats in the South China Sea (National Institute for Defense Studies, 2021). Therefore, Filipino public opinion turned against China.

The Duterte administration’s limited balancing strategy was manifested in its dual policy of separating its economic agenda vis-a-vis China with its security response to Chinese maritime expansion in the South China Sea. Until the end of his six-year term, the President sought a peaceful solution to the territorial dispute through bilateral consultation, negotiations on joint development and soliciting Chinese public capital to finance the construction of big-ticket infrastructure projects in the Philippines. At the same time, his administration directed its diplomatic and military efforts against a specific policy related to maritime expansion rather than China’s emergence as a regional power. Thus, limited hard balancing aimed to prevent China’s goal to exercise its sovereignty over a large portion of the West Philippine/South China Sea and, later, the waters inside the first island chain. It sought to debilitate China’s efforts at imposing its

preferences on the maritime countries of the first island chain through the latter's limited arms buildup and reliance on a diplomatic coalition of conditions that would defend their interests.

Futile Attempts at a Balanced Policy

Upon assuming office, Ferdinand Marcos Jr opted for a “balanced foreign policy” to promote economic cooperation with China and revitalise the Philippines' alliance with the United States. He hoped early on to earn practical gains from his country's interactions with the United States and China (Yomiuri Shimbun, 2023). President Marcos said he favours close economic cooperation with China in his first State of the Nation Address in July 2022. Still, it is a collaboration balanced by the Philippines' security relations with the United States (Dalpino, 2022). He envisioned a division of labour in which China provides the market for Philippine exports and public investments in the government's infrastructure projects, while a revitalised security alliance with the United States would balance any close economic relations with the former.

During their first meeting on the sides of the Asia-Pacific Economic Cooperation Summit in Bangkok, Thailand, President Marcos and President Xi agreed to intensify economic cooperation and not allow the maritime dispute in the South China Sea to mar the Philippines–China bilateral relationship (Sutter and Huang, 2023a, 2023b). China offered economic assistance to the Philippines to strengthen bilateral ties with the Marcos administration but without compromising its expansive claim over the disputed waters (Yomuri Shimbun, 2023).

President Marcos deemed the revival of the Philippines–U.S. alliance a strategic necessity. There is no guarantee that closer Philippines–China economic relations would constrain Chinese heavy-handed behaviour in the South China Sea. Despite the Duterte administration's supposedly friendly and cooperative ties with China, over 200 alleged Chinese maritime militia fishing boats impressed upon the Philippines their overwhelming power to occupy the disputed territory of Whitsun Reef, which is 175 miles from the westernmost Philippine island of Palawan and within the country's 200-nautical mile (NM) EEZ (Sutter and Huang, 2021). Philippine defence officials also observed that despite the rapprochement between the two countries, China constructed structures in other parts of Union Banks, a collection of reefs that includes Whitsun Reef (Sutter and Huang, 2021).

From Balanced Policy to Hard-Balancing

Three factors complicated President Marcos' plan to pursue a hedging strategy between China and the United States through a balanced policy: (a) China's uncompromising position on the South China Sea dispute; (b) the Philippine military's modernisation programme to address China's maritime expansion; and (c) the U.S.–China strategic competition.

To assert its sovereignty claims, China must possess the means to control a maritime feature. It must maintain a persistent naval presence in the maritime vicinity to gain control (Verblaauw, 2021). Its maritime strategy requires the PLAN, the CCG and the maritime militia to pressure foreign vessels in the disputed waters and force littoral countries through skilful manoeuvres to abide by its jurisdiction and privileges in the South China Sea (National Institute of Defense Studies, 2023). This tactic enables China to identify alleged interlopers, undertake drastic and mass intimidation actions, and exercise escalatory options against those who challenge its maritime claims (Verblaauw, 2021). China then applies overt and covert coercive measures to overwhelm Southeast Asian resistance, which has proven successful in allowing it to have its way in disputes (Sutter and Huang, 2023a, 2023b).

China applied this strategy to the Philippines as CCG patrols in the South China Sea became more frequent in 2022. Two maritime incidents occurred during the early part of the Marcos administration: (a) A big CCG ship blocking and harassing a small PN supply ship on its way to resupply a small AFP garrison on Ayungin Shoal and (b) swarming by fishing boats manned by suspected Chinese maritime militia (Sutter and Huang, 2023a, 2023b). In February 2023, a CCG vessel directed “a military-grade laser” at a PCG ship. The ship escorted a resupply mission to the small Philippine garrison onboard the *BRP Sierra Madre* on Ayungin Shoal.

Another important factor that complicated President Marcos’ efforts for a balancing policy is the AFP’s push to build up its defence capabilities as a reaction to China’s maritime expansion. For more than seven decades, the AFP has been waging an almost never-ending counter-insurgency campaign against the Communist Party of the Philippines and its armed wing, the New People’s Army, and various separatist armed groups like the Moro National Liberation Front and Moro Islamic Liberation Front. It also engaged terrorist groups like al-Qaida and ISIS in sustained combat operations.

The Philippine military’s long and protracted counterinsurgency campaigns have shaped the AFP’s organisational structure, such as the Philippine Army (PA), which has reconfigured itself to neutralise several insurgent groups since the late 1940s. These operations required deploying the numerically superior PA ground forces backed by the PAF ground-attack aircraft, helicopters and the PN naval vessels. Consequently, these counterinsurgency campaigns have relegated the AFP to a purely constabulary force.

China’s maritime expansion provided the military rationale to transition from armed forces geared for mere constabulary functions to one designed for territorial defence. The *2019 NMS* directs the AFP to develop the capabilities that ensure the maintenance of the territorial integrity of the Philippine archipelago and the exercise of territorial rights to all the fluvial features, islands, internal waters, and columns of water below the airspace above that are within the 12-NM territorial baselines from external threats (Almodovar, 2023). This transition is aimed at preventing China’s militarisation in their reclaimed islands and encroachment into the Philippine territory and controlling the PLAN, CCG, and People’s Armed Forces Maritime Militia’s aggressive and provocative behaviour in the West Philippine Sea.

The *2019 NMS* specifies the AFP to conduct joint operations based on the concept of strategic flexibility, which is defined as “... the ability to rapidly shift and concentrate or

disperse forces for different roles/missions... and synergy of joint forces that can engage and disrupt advancing hostile forces from different fronts to complicate the threat's tactical scenarios and expose its vulnerabilities" (Almodovar, 2023). This necessitates the AFP to develop a credible joint force to conduct an interoperability operation in the air, land, maritime space, and cyber domains. It also calls for the Philippine military to train for offensive and asymmetric warfare capabilities through military strength projection and to count on its alliance with the United States, security partnerships with other U.S. allies and collective security with other like-minded nations from the international community (Almodovar, 2023). Finally, the 2019 NMS implores the defence department and the Philippine military "to campaign for the increase in the defence budget for the AFP modernisation to be potent and effective to address current and future threats while spreading awareness of pressing challenges in the current strategic environment" (Armed Forces of the Philippines, 2019).

The AFP's shift from internal security to territorial defence provides the Philippine military with a vested interest in a balancing policy towards China. As a case in point, during the six years of the Duterte administration, the AFP was wary of growing Philippines–China economic relations and suspicious of Chinese funding of Philippine infrastructure projects. More significantly, it was also sceptical of closer Philippines–China security and diplomatic ties.

Finally, the US–China strategic competition allowed Manila to leverage its alliance with Washington to constrain Chinese maritime expansion. The idea of a strategic competition between the United States and China is primarily an American narrative (Masuda, 2023). It emerged from American perception, approach and policy towards China, which underwent structural changes from the latter half of the Obama administration to the Trump administration (Masuda, 2023). By the early part of the Trump administration, a consensus emerged with the U.S. government that the "central challenge to US prosperity and security is the emergence of long-term strategic competition by China and Russia" (Masuda, 2023).

The Biden administration's decision to continue its predecessor's policy of engaging Beijing in a strategic competition is based on the premise that while China has successfully eroded American military advantage in potential locations of conflict near its shores and inside the first island chain, the U.S. retains an overall advantage in military technology, power projection, and with a regional political and military alliance structure unmatched by China (Lynch, 2021). Based on this assumption, the Biden administration increased public investments in the country's diplomatic, intelligence and military capabilities. More significantly, it also enhanced collaboration with its allies and security partners to gain a diplomatic and strategic advantage over China in technology, economy, politics, diplomacy, military, and global governance. This led the United States to boost its military presence across the Indo-Pacific region, with more troops, ships and planes to counter China's maritime expansion. The United States has established its strategic presence in the first island chain, from Japan to the southern part of the Philippines. This allowed the Marcos administration to facilitate and increase the American strategic footprint in the Philippines and seek a clearer and more robust security commitment from the Biden administration based on the 1951 MDT.

Pursuing Internal Balancing

China's actions pushed Manila to file several *notes verbales* against what it perceives as Beijing's provocations in the South China Sea. These incidents made President Marcos reiterate his call for the AFP to shift its mission from internal security to external defence relative to Chinese coercive behaviour against the PN and ordinary Filipino fishermen (Gomez, 2023). Early in his term, President Marcos was confronted with a guns-versus-butter dilemma. He was to decide whether his administration would fund the programme, costing the Philippine government US\$103.38 billion, with the lion's share of the modernisation budget amounting to US\$56 billion going to the PN and the PAF. He greenlit the funding and implementation of the revised AFP modernisation programme, which had entered its third horizon from 2023 to 2028.

On 1 July 2022, President Marcos, during the 75th founding anniversary of the PAF, announced his support for the ongoing defence initiatives to substantiate his administration's vision for "a stronger, bigger and effective air force capable of defending and maintaining our sovereign state and of assisting our people in times of dire consequences and today's reality" (Philippine News Agency, 2022). On 13 July 2022, DND OIC Undersecretary Jose Faustino commented that through a directive, President Marcos would continue the modernisation programme that prioritises these objectives, such as defending the nation's territorial integrity, protecting the Filipino people, and ensuring state sovereignty (Asia News Monitor, 2022a).

On 21 December 2022, President Marcos committed to the AFP's acquisition of more equipment for external defence. He declared: "We will be partners towards your vision of a strong, credible, world-class armed force that is a source of national pride or a source of national security" (Asia News Monitor, 2022a, 2022b). On 28 February 2023, in his speech to the Western Unified Command, he stressed the urgency of shifting the military focus from internal security to ensuring the protection of the national territory as a dispute with China and the U.S.–China strategic rivalry intensified (Gomez, 2023). He observed that the country's boundaries were being questioned and thus the military must focus on defending its sea borders. He also admitted that the Philippine government has launched efforts to modernise the Philippine military in a programme that has faced delays and financial constraints (Gomez, 2023).

The President reiterated the need to modernise the Philippine military during the 125th anniversary of the PN on 29 May 2023. In his keynote speech, he said: "Considering the changing tides of our national security and the significant gains that we have made in national security, our armed forces are working to recalibrate its focus more towards the external defence of our borders" (Asia News Monitor, 2023). He added: "In this transition, full support for the Armed Forces must be guaranteed, especially for the PN's priority goals of enhancing its intelligence, defence and coordinative capabilities" (Asia News Monitor, 2023). Finally, he said that he expects the completion of Horizon 3 of the AFP modernisation, which is significantly devoted to developing the PN's naval capabilities.

Modernising the Philippines–U.S. Alliance

President Marcos fosters healthy and vibrant security ties with the United States. This signifies a dramatic break from the stance of former President Duterte, who tried to systematically dismantle the Philippines–U.S. alliance, lessen Manila’s dependence on Washington and diversify the country’s security relations to include revisionist states such as China and Russia (Grossman, 2023). His efforts to sustain Philippines–China economic relations did not prevent President Marcos from repairing the Philippines–U.S. alliance. On 29 September 2022, Philippine DND Undersecretary OIC Faustino and U.S. Defence Secretary Austin formally announced the Philippines–U.S. commitment to the 1951 MDT (Defense Media Activity, 2022). Accordingly, initial efforts will be undertaken to enhance maritime cooperation and improve the Philippine and U.S. armed forces’ interoperability and information sharing. Other urgent measures are planned to upgrade and modernise the alliance to help secure the Philippines’ future, address regional security challenges, and promote peace and security in the Indo-Pacific region.

This objective entails immediately implementing the 2014 EDCA provisions on infrastructure enhancements and repair projects at existing EDCA-agreed locations inside five PAF bases nationwide (Defense Media Activity, 2022). Also crucial to this endeavour is the U.S.–Philippines Maritime Framework signed to jump-start the two countries’ maritime cooperative activities in the South China Sea, which included the resumption of joint naval patrols by the U.S. and Philippine navies. Interestingly, the revitalisation of the Philippines–U.S. alliance is taking place amid mounting tension between China and Taiwan on the one hand, and between China and the United States and its Asian allies on the other hand. As the closest country to Taiwan and a U.S. treaty ally, the Philippines is expected to play a significant strategic role as a staging ground for U.S. forces responding against any Chinese invasion of the island republic (Sepe and Liwanag, 2022).

On 2 February 2023, it was announced that the U.S. military would be given access to new AFP bases nationwide. The plan to increase the number of joint locations from five to nine started in October 2022, when the United States decided to base a significant number of forces and weapons in four additional Philippine military camps, mainly in the northern Luzon region, which the 160-mile Luzon Strait separates from the self-governed island of Taiwan (Associated Press, 2023). It also cemented the allies’ efforts to expand the American strategic footprint in Southeast Asia and the Indo-Pacific region in the face of an aggressive and expansionist China. The two countries negotiated the expanded agreement during U.S. Defence Secretary Austin’s second visit to the Philippines, allowing additional American troops to stay in the Philippines on a rotational basis within AFP military camps. American forces constructed warehouses, living quarters, and joint facilities and stored combat materiel, except for nuclear weapons, in the camps. Limited EDCA site buildings were done during President Duterte’s six-year term. Nevertheless, the United States has allocated over US\$82

million for infrastructure investment in the original five EDCA sites (Acosta, 2023). These investments supported economic growth and job creation in the local communities.

This development coincided with U.S. forces intensifying and broadening joint training with their Filipino counterparts for combat readiness and disaster response on the Philippines' western coast, which faces the South China Sea, and in the Luzon Strait between the northern Philippines and Taiwan (Associated Press, 2023). In 2022, the newly formed 3rd Marine Littoral Regiment (MLR) deployed several combat concepts with the Philippine Marine Corps Coastal Defence Regiment in the northern provinces of Luzon (Lariosa, 2023). Access to the Philippines is crucial to MLR operations. Joint locations in these provinces could be used to preposition MLR equipment and other assets, enabling faster response times in a Taiwan contingency. From these EDCA sites, the U.S. military could secure the Luzon Strait or project power in the South China Sea (Lariosa, 2023). As the U.S. military intends to distribute (through access arrangements and joint military drills with their Southeast Asian counterparts) its forward-deployed forces along the first island chain stretching from Japan to maritime Southeast Asia, the Philippines' geopolitical importance to Washington increases (Nakamura and Shiga, 2022).

The Philippines maintains a strict and legalistic "One China" policy in conjunction with Taiwan's diplomatic status as a self-ruled island. Nevertheless, the Marcos administration openly expressed its cooperation with the United States in a crisis in Taiwan, the Philippines' closest neighbour. If ever an armed conflict between Beijing and Taipei erupts and spreads from the Taiwan Strait to the Luzon Strait, the Philippines will inescapably experience its adverse consequences, such as massive refugee flows, the immediate repatriation of Filipino overseas workers in Taiwan and the possible spread of the conflict to the Luzon Strait and even northern Luzon (Dalpino, 2023a). Philippine Ambassador to Washington Jose Manuel Romualdez claimed that the Philippines would cooperate militarily with the United States to deter any escalation of tension between China and Taiwan because of the treaty alliance and to help prevent a major conflict (Associated Press, 2023). He added that the Philippines would let U.S. forces use the Southeast Asian nation's military bases in the event of a Taiwan conflict only "if it is important for us, for our security" (Nakamura and Shiga, 2022).

President Marcos has not categorically stated the Philippines' extension of assistance to the United States in a China–Taiwan armed showdown. He is concerned that a military confrontation between the United States and China will likely drag the Philippines into a major war. In an interview, he said: "I learned an African saying: When elephants fight, the only one that loses is the grass. We are the grass in this situation; we do not want to get trampled" (Ip and Murray, 2023). His decision to speed up the implementation of EDCA, expand the number of joint locations from five to nine sites and resume joint PN–U.S. navy patrols in the South China Sea reflect his changing view on security. He also implied that the Philippines is pondering extending aid to any U.S. military effort to defend Taiwan against Chinese aggression. In a more recent interview, he stated: "When we look at the situation in the area, especially the tensions in the Taiwan Strait, we can see that just by our geographical location, should there, in fact, be conflict

in that area ... it is tough to imagine a scenario where the Philippines will not somehow get involved” (Chen, 2023).

In April 2023, the Philippines and the United States revived the 2+2 Ministerial Dialogue in Washington DC to further enhance their security relations under the expanded EDCA and boost their economic ties within the Indo-Pacific Economic Framework for Prosperity (IPEF). The allies released a joint statement on the plans for U.S.–Philippines joint naval patrols in the West Philippine Sea/South China Sea, Manila’s commitment to consult with the AUKUS trilateral security partnership, the Philippines’ possible participation in the Quadrilateral Security Dialogue activities, and Manila’s pledge to expand operational military coordination with other U.S. allies like Australia and Japan, including the Japan–U.S.–Philippines Trilateral Defence Policy Dialogue (Sutter and Huang, 2023a, 2023b). From 11–28 April 2023, the AFP and the U.S. armed services held their largest nationwide live-fire *Balikatan* Exercise with a combined force of 17,000 U.S., Filipino, and Australian service personnel (Dalpino, 2022, 2023a, 2023b, 2023c). In recent efforts to revive and update their alliance, the United States and the Philippines reviewed and redefined the 1951 MDT, which is central in devising ways to confront China’s maritime expansion in the South China Sea. After the review, the two allies released the Philippines–U.S. Basic Guidelines of the 1951 MDT. It provides for the following: (a) clarifies the language in the MDT to specify under what conditions the United States would honour its treaty commitments if Philippine public vessels are attacked in the South China Sea and (b) commits Washington to provide a significant amount of military assistance to Manila in enabling the Philippine military to achieve interoperability with the U.S. armed services (Dalpino, 2022, 2023a, 2023b, 2023c).

Linking with Other U.S. Allies

Another essential element in modernising the Philippines–U.S. alliance is fostering security partnerships with Tokyo, Canberra, and Seoul. In early October 2022, the Philippines hosted a 10-day live-fire training exercise involving Filipino and American marines, South Korean marines and Japan Ground Self-Defence Force members. This military exercise, labelled *Kamandag 2022* (the acronym for “*Kaagapay ang Mga Mandirigma ng Dagat*” or Cooperation of Warriors of the Sea), was unique because it involved not only Filipino and American marines but also, for the first time, South Korean marines and Japan Self-Defence Forces service personnel.

This joint military exercise involved top-of-the-line U.S. stealth fighter planes streaking across the Philippines’ tropical sky while firing its air-to-ground missiles against imaginary enemies in North Luzon. Simultaneously, 2,500 Philippine, U.S., and South Korean marines conducted amphibious and other coastal operations along the country’s long coastline. Philippine, U.S., Japanese, and South Korean ground forces also conducted smaller exercises such as special operations warfare, humanitarian assistance and disaster response operations, and special operations, chemical, biological, radiological, and nuclear warfare. About 3,000 combined forces from Japan, South Korea,

the Philippines, and the United States participated in a joint combat training north of the Philippine capital. They showed their capability to respond quickly to any armed crisis in the Indo-Pacific (Heydarian, 2022).

Strengthening its alliance and security partnerships with the United States and other American regional allies is part of President Marcos' hard balancing policy towards China. The Philippines engages in arms buildup and, more significantly, in alliance formation and coalition to constrain Chinese maritime expansion in the South China Sea. It has a superpower ally and several security partners that can match China's growing power, which the current modernisation of the Philippine military cannot possibly check. Therefore, the Marcos administration facilitated greater American strategic access to its territory and, in the process, linked its force modernisation with its alliance and security partnerships.

As Philippines–China bilateral relations deteriorated, the Marcos administration recognised that the more intense Philippines–U.S. defence relationship was adversely impacting Philippines–China economic relations. As a contingent measure, the Philippines is fostering closer economic ties with the United States, Japan, and South Korea. The Marcos administration indicated its interest in being part of the U.S.-led IPEF that would be launched by the end of 2023. The Philippines also pursues closer security and economic cooperation with Japan. Tokyo has committed US\$3 billion in Official Development Assistance to complete several major infrastructure projects in the Philippines. During President Marcos' working visit to Japan in February 2023, the two governments announced 35 Japanese investment projects in the Philippines amounting to US\$13 billion, covering infrastructure, energy, health, and agriculture. On the sides of the ASEAN summit in Jakarta, Indonesia, the Philippines, and South Korea signed a free trade agreement in a move that is expected to bolster bilateral economic and industrial ties between the two countries. Under the agreement, South Korea will eliminate tariffs on 94.8 percent of all its imports from the Philippines. In return, Manila will lift tariffs on 96.5 percent of its imports from Seoul. The agreement is expected to be the basis for future-oriented cooperation between Manila and Seoul on automobile production, natural resources, health care, cultural exchanges, and e-commerce.

Conclusion

China has pursued maritime expansion in the South China Sea since the second decade of the twenty-first century. It has deployed its navy, coast guard, and civilian militia to assert its expansive claims. It has built artificial islands and militarised these land features by building air and naval bases. It also applies coercive measures against PCG, PN ships, and ordinary Filipino fisherfolk. These actions stemmed from China's calculation that it must assert its sovereignty claims if it does not possess the legal means to control the South China Sea. It maintains a ubiquitous naval presence in the disputed waters. This strategy involves the PLAN, the CCG, and the maritime militia exerting maximum pressure on Filipino and Vietnamese public and civilian vessels in the South China Sea. It also requires China to commit coercive acts to force littoral countries to abide by its purported jurisdiction and privileges. This show of force empowers China

to identify alleged intruders, engage in aggressive and intimidating behaviour and exercise escalatory options against states that challenge its claims and defy its bullying tactics.

From 2010 to 2016, the Aquino administration applied a hard-balancing strategy to challenge China. At the start of the Duterte administration in mid-2016, it adopted an unexpected appeasement policy. In 2018, President Duterte shifted from appeasement to a limited hard balancing policy because of the following: (a) China's slow infusion of public capital into the Philippine government's ambitious infrastructure-building programme and (b) the continuing confrontational actions of the PLAN, the CCG, and the Chinese maritime militia against AFP units in the South China Sea.

The limited hard-balancing policy arose from the Duterte administration's realisation that a policy of appeasement requires the weaker party (the Philippines) to put its strategic fate in the hands of a more powerful state, China, which harbours the hostile intention of maritime expansion in the disputed waters and flaunts its overwhelming naval superiority over a weaker state's limited naval capabilities. The goal was to build up the Philippines' territorial defence capabilities in the face of continuing Chinese expansion and the potential risk of great powers' competition in the Indo-Pacific region. The Duterte administration pursued this strategy by continuing some of the Aquino administration's initiatives, such as: (a) Building up the AFP's territorial defence capabilities; (b) maintaining its alliance with the United States; and (c) fostering security partnerships with Japan and Australia.

At the start of his six-year term in 2022, President Marcos implemented a middle-of-the-road approach in his foreign policy. He fostered closer economic ties with China while reviving the country's alliance with the United States. Unfortunately, internal and external factors complicated his plan to seek an equilibrium between the Philippines' relations with China and the United States. The Philippine government's concern over growing Chinese coercive actions against AFP units and Filipino fishermen in the West Philippine Sea/South China Sea and the public expectations of a strong government response make a balancing policy challenging for the Marcos administration to implement. Unsettled by China's aggressiveness in the South China Sea and around Taiwan, it strengthened its security ties with the United States.

In the first four months of 2023, Washington and Manila raised the level of their diplomatic activities, leading to (a) The formal announcement of four new EDCA sites; (b) the revival of the 2 + 2 Bilateral Strategic Dialogue; (c) the holding of the largest *Balikatan* joint military exercise; (d) the public release of the May 2023 Defence Security Guidelines that clarified under what conditions the 1951 MDT could be invoked by each party; and (e) the enhancement of interoperability between the two allies' armed forces through additional equipment transfers, training and joint naval patrols. These developments indicate the Marcos administration's resolve to return to a hard balancing policy as it strengthens the Philippines' overall security capability to defend the country's interests against a particular threat – China's expansion in the South China Sea and its irredentist agenda against Taiwan.

The three administrations' policies reveal an evolving Philippine grand strategy. This is composed of the following elements:

1. Admitting that China's maritime expansion in the South China Sea constitutes a clear and present danger to Philippine national security as an archipelagic state. The late President Aquino saw this threat in terms of the Philippines losing its maritime entitlements in its EEZ in the West Philippine Sea and the South China Sea. President Duterte saw the prospect of a significant armed conflict in the South China Sea if the Philippines, with the support of the United States, continued its confrontational policy towards China. President Marcos saw Chinese maritime expansion as a threat to the PN and PCG's operations in the disputed waters and the livelihood of ordinary Filipino fisherfolk.
2. Pursuing a policy of maintaining the status quo in the West Philippine Sea/South China Sea. President Aquino's hard balancing policy is aimed at preventing China from pursuing its expansive claim. Initially, President Duterte adopted a policy of appeasement with the expectation that this could moderate China's aggressive actions in the South China Sea and earn its goodwill by investing in his "Build, Build, Build" programme. However, disappointed by the lack of reciprocity from China in terms of moderating the coercive actions of the PLAN and CCG toward the PN and PCG, President Duterte adopted a dual approach to the policy of continuing the bilateral consultations and negotiations of joint development with China. At the same time, he allowed the AFP to formulate a national military plan for a possible armed confrontation with China. He maintained the alliance with the United States. President Marcos attempted to pursue a middle-of-the-road policy. Chinese coercive actions against the operations of the PN and PCG in the South China Sea pushed him to continue the modernisation of the Philippine military, strengthen the country's alliance with the United States and foster closer security partnerships with Australia, Japan, and South Korea. All three presidents adopted a policy of preserving the status quo in the South China Sea by opposing China's maritime expansion. None of them has considered a policy of bandwagoning with China's expansive naval ambition.
3. Acknowledging the urgency of shifting the Philippine military's focus from internal security to territorial defence. All three presidents supported the AFP's shift from internal security to external defence as part of the country's policy to address China's maritime expansion. President Aquino initiated the efforts to wean the AFP from its constabulary function. President Duterte increased the allocation for the AFP modernisation programme, allowed the Philippine military to formulate a national military strategy to address China's maritime ambition and decided to fund the second horizon of the modernisation programme. Finally, President Marcos was confronted with the initial dilemma of whether he would support the third horizon of the programme. Faced with growing Chinese coercive actions, he decided to fund the AFP arms buildup programme.
4. Fostering the alliance with the United States and security partnerships with other U.S. allies. All three presidents made their respective efforts to strengthen the country's alliance with the United States as part of their external balancing policy towards China. President Aquino linked the modernisation of the AFP with the Obama administration's rebalancing policy by negotiating and signing the 2014 EDCA. President

Duterte tried to distance the Philippines from the United States in his efforts to modify what he saw as a confrontational policy towards China. Faced with continuing Chinese expansion in the South China Sea, the Duterte administration kept the alliance intact. Interestingly, it sought a clearer security guarantee from the United States as provided by the 1951 MDT. President Marcos facilitated a more significant American strategic footprint in the Philippines by offering additional EDCA sites to the United States, increasing the number of joint Philippines–U.S. military exercises and coming up with the Philippines–U.S. Basic Guidelines on the 1951 MDT. Fostering closer security relations with the United States and its other allies, such as Australia, Japan, and South Korea, constitutes the external component of the Philippines’ balancing policy towards China.

The Philippines’ adoption of a grand strategy in the face of China’s maritime expansion has two implications. First, among the Southeast Asian countries, the Philippines is the only country considering China’s naval expansion in the South China Sea as a quintessential threat to its national security as an archipelagic state. Second, the Philippines’ adoption and implementation of a grand strategy set it apart from its fellow ASEAN member-states. On the one hand, the nine Southeast Asian states are pursuing cost-free diplomatic strategies such as leveraging, hedging, and compensating to avoid costly armed conflict. On the other hand, the Philippines is funding, re-equipping, modernising and fostering alliances and security partners to help prepare the AFP to follow President Marcos’ marching order for it “to be more agile, flexible and responsive to better address emerging issues confronting the nation” (Flores, 2023).

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