From Appeasement to Soft Balancing: The Duterte Administration’s Shifting Policy on the South China Sea Imbroglio

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Abstract

This article examines the shift in Philippine policy on China under the Duterte Administration from appeasement to soft balancing. In 2016, President Rodrigo Duterte has adopted an appeasement policy vis-à-vis China’s expansive design in the South China Sea. He distanced the Philippines from the U.S., its long-standing treaty ally, and gravitated toward China. This stance is aimed to earn China goodwill so that the Philippines can avail itself of Chinese economic largesse particularly the enormous aids and loans from the Belt and Road Initiative (BRI). However, China has not fulfilled its end of the bargain. It failed to inject public investment into the Philippines’ massive infrastructure-building program, and to moderate the behaviour of its military units operating in the South China Sea. This has prompted the Duterte Administration to shift to a policy of soft balancing. It pursues this policy by: a) maintaining its alliance with the U.S.; b) fostering a security partnership with Japan; and c) pushing for the immediate passage of the Association of Southeast Asian Nations (ASEAN)-China Code of Conduct (CoC) of the Parties in the South China Sea. In conclusion, this paper argues that the Duterte Administration’s current objective is to restrain Chinese aggressive behaviour in the South China Sea by maintaining its alliance with the U.S., fostering a security partnership with Japan, and playing a more active role in the ASEAN.
From Appeasement to Soft Balancing: The Duterte Administration’s Shifting Policy on the South China Sea Imbroglio

On August 15, 2019, Philippine Defence Secretary Delfin Lorenzana announced the incursion of several Chinese warships into the country’s territorial waters without prior coordination with the Armed Forces of the Philippines (AFP). He opined that China was taunting the Philippines because the warships’ Automatic Identification System (AIS) was switched off and the Chinese crews ignored the radio communications from the AFP units that were observing their passage in Sibutu Straits in Tawi-Tawi. He also maintained that the People’s Liberation Army’s Navy (PLAN) reneged on an earlier promise made by the Chinese ambassador in Manila that the Philippines will be informed in advance of any movement of PLAN vessels in the country’s territorial waters. Consequently, the defence secretary recommended the filing of a diplomatic protest by the Department of Foreign Affairs (DFA) following the series of suspicious and unauthorized transits of Chinese warships in Philippine waters including the passage of two Chinese survey ships in the country’s exclusive economic zone (EEZ).

From July to August 2019, the AFP and the Department of National Defence’s (DND’s) have come out with alarmist statements on China’s growing naval presence at the country’s doorstep. Echoing the Philippine military’s apprehension about Chinese naval vessels’ passage in the country’s territorial waters, the presidential spokesperson said: “We express concern with that kind of incident. Because if they keep on saying that we are friends. I don’t think this is an act of friendship.” Since July 2019, the AFP’s has been very vocal about its concern over growing Chinese naval presence in Philippine waters.

President Duterte, however, emphasized the futility of confronting China as he opted for regularly scheduled bilateral consultations between the two countries conducted in an avowedly friendly atmosphere. In the aftermath of his fifth visit to China in August 2019, the Strait Times observes: “Before he left for Beijing, Mr. Duterte raised expectation on the matter (China’s militarization of the seven South China Sea land features), even though it was unclear what he sought by pressing the arbitration victory into his six-year term. He had largely avoided the subject, opting instead to curry favour from China.”

These divergent positions emanating from President Duterte, and the AFP, and the DND reflect an ongoing internal debate within the administration. This discord is between two groups of government officials who want to balance China’s growing naval power in the South China Sea on the one hand, and those who believe that the path of peacefully resolving the territorial row is through diplomacy and economic cooperation on the other hand. One group urges the government to challenge China’s growing naval presence in the South

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4 Asia News Monitor, “Philippines: Palace Concerned over Chinese Warships in Sibutu Strait,” Asia News Monitor (August 6, 2919). 1
6 Raul Dancel, “Duterte, Xi Jinping” agree to disagree” on South China Sea Issue: They Fail to See Eye to Eye on 2016 Ruling agree to Continue Talks, Says Philippine Envoy,” The Straits Times (August 31, 2019), 1.
China Sea. The other group wants to continue the administration's appeasement policy on China. This clash within the government incrementally pushed the Duterte Administration to adopt a policy of soft balancing on China.8

This paper examines the gradual transition in the Duterte Administration policy on China from appeasement to soft balancing. This article raises this main question: How does the Duterte Administration pursue a policy of soft balancing on China? It also addresses the following corollary questions: What is the difference between appeasement and soft balancing? How did the Duterte Administration implement a policy of appeasement? What prompted the government to shift its policy of appeasement to a policy of soft balancing? What is the future of its soft balancing policy on China?

Pursuing an Appeasement Policy

When he became the country's 16th president, Mr. Duterte undid former President Aquino's geo-political agenda in the South China Sea. He launched a charm offensive to earn Chinese goodwill and downplayed the maritime row in the ASEAN summit meeting in Laos. He also declared that he wanted to distance the Philippines from the U.S., a move that would not only alter the region's strategic balance but also signify a dramatic break from his country's long-standing policy of maintaining close security partnership with a formal treaty ally.

President Duterte believed that the U.S. would not wage a war against China to protect the Philippines. Moreover, he thought that the only option for the Philippines is to foster economic interdependence with China. This move would likely reduce the chances of an armed confrontation between these two claimant states in the South China Sea dispute. At the beginning of his term in mid-2016, President Duterte was determined to take advantage of China's economic largesse under its Belt and Road Initiative (BRI). Lured by the BRI, President Duterte actively sought Chinese financial assistance for the construction of drug-rehabilitation centres for Filipino drug addicts and soft loans for the building of railways and roads in Mindanao and in other parts of the country. Succinctly, the Duterte Administration declared its plan to change the Philippines’ confrontational foreign policy on China.

7 Appeasement refers to a state’s efforts to conciliate or buy off an emergent power by initiating unilateral diplomatic and strategic concessions. It is a diplomatic strategy that can either complement a bandwagoning policy because the threatened state is vulnerable to pressure and has little capacity to determine its fate or support its balancing strategies. In the same way, “talking tough” and levelling coercive threats can accompany or preclude taking concrete measures to improve one's power or relative position in the world. Peter Trubowitz, Politics and Strategy: Partisan Ambition and American Statecraft (Princeton, Massachusetts: Oxford, United Kingdom: Princeton University Press, 2011), 13.

8 Professor Paul defined soft balancing as restraining the power or aggressive policies of a state through international institutions, concerted diplomacy vis limited, informal ententes, and economic sanctions in order to make its aggressive actions less legitimate in the eyes of the world and hence its strategic goals more difficult to obtain. According to him, soft balancing strategies shy away from formal hard-balancing alliances where allies cooperate in using their military resources against a specific state or states, and usually obligate one or more of the signatories to use force, in specified circumstances. Instead of formal alliances, soft balancing often develops limited diplomatic coalitions, ententes to balance a powerful threatening state, and uses international institutions to apply soft balancing to reduce the threatening state’s aggressive behaviour. See T.V. Paul, Restraining Great Powers: Soft Balancing from Empires to the Global Era (New Haven and New York: Yale University Press, 2018). 20.
The government’s plan to effect a rapprochement with China became apparent during its handling of the July 2016 Permanent Court of Arbitration (PCA) ruling on the South China Sea dispute. In January 2013, the Philippines directly confronted Chinese expansive claim in the South China Sea by filing a statement of claim against China in the Arbitral Tribunal of the United Nations Convention on the Law of the Sea (UNCLOS). In its Notification and Statement of Claim, the Philippines asked the arbitral tribunal to determine the country’s legal entitlements under the UNCLOS to the Spratly Islands, Scarborough Shoal, Mischief Reef, and other land features within its 200-mile EEZ. These entitlements are based on the provisions of the UNCLOS specifically to its rights to a Territorial Sea and Contiguous Zone under Part II, to an Exclusive Economic Zone under Part V, and to a Continental Shelf under Part VI.9

Despite the Philippines’ overwhelming legal triumph over China, the Duterte Administration met the eagerly anticipated decision with sober, cautious, and even muted reaction. In June 2016, China issued a Foreign Ministry statement pointedly calling on the Philippines to discontinue the arbitration formalities.10 The Duterte Administration heeded this call as its response to the ruling was ultra-low key as it neither flaunted the victory nor taunted China with the favourable decision. Although the domestic reaction was overwhelmingly positive and jubilant, then Foreign Secretary Perfecto Yasay Jr. merely said that he welcomed the ruling and advised his countrymen to exercise restraint and sobriety. During the ASEAN Foreign Ministers Meeting in Laos, Secretary Yasay withdrew the country’s motion to include the PCA decision in the ASEAN Joint Communique after Cambodia objected to its inclusion. Designated as the country’s special envoy to China, former President Fidel Ramos suggested that the PCA award be set aside as the Duterte Administration was pursuing bilateral negotiations with China.

**Gravitating Toward China**

In October 2016, President Duterte chose China for his first official visit outside the ASEAN member states.11 Accompanied by 250 Filipino businesspersons, President Duterte went to Beijing seeking a new partnership at a time when tension between the Philippines and the U.S., was mounting.12 His foreign policy agenda involves developing and maintaining an independent and pro-active posture so he can adroitly balance the major powers in East Asia. This is aimed to create a more positive and conducive atmosphere in Philippine-China bilateral relations that can allow both sides to embark on major infrastructure and investment projects, as well as other forms of cooperation to restore mutual trust and confidence.13 During the first meeting, President Xi stressed to President Duterte the need for practical bilateral cooperation between the two disputing countries. He also suggested that the Philippines and China must thoroughly coordinate their development strategies and cooperate with each other within the framework of the BRI.14

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11 Ibid., 134.
13 Aileen Baviera, “President Duterte’s Foreign Policy Challenges,” *Contemporary Southeast Asia* 38, 2, 2016: 205.
Both leaders issued a joint communique that laid down 13 areas for comprehensive cooperation and signed memorandums of cooperation in economics and trade, investment, financing, and construction of infrastructure. Accordingly, the total amount of money committed by China to boost economic cooperation between the two countries amounted to US$13.5 billion, of which US$9 billion was allocated for infrastructure development in the Philippines. Consequently, instead of rectifying the perceived imbalance in the Philippines’ relations with the two major powers, President Duterte replaced the U.S. with China as the Philippines’ most important bilateral partner. Not surprisingly, President Duterte turned a blind eye to increased Chinese island-building activities in the South China Sea. Apparently, he was lured by the Chinese promise of trade concessions, grants, loans, and investments. Eventually, his administration adopted Beijing’s official line “that after several years of disruption caused mainly by ‘non-regional countries (Japan and the U.S.),’ the South China Sea has calmed with China and Southeast Asian countries agreeing to peacefully resolve [their] disputes.” Observing the shift in Philippine foreign policy in the late 2016, a Japanese think-tank notes: “The new administration is seeking to improve with China with an eye to increasing economic cooperation, so that it seems to be softening its confrontational stance in the South China Sea.”

**Linking the BRI with the “Build, Build, Build” Program**

Ranking Philippine officials initially believed that BRI could provide the necessary capital for the Philippines to improve its infrastructure and connectivity, and thus provide the international context for the infrastructure plan of the Duterte Administration touted as the “Build, Build, Build” Program. They accepted without question Beijing’s official line that China has a surplus of capital, as well as the expertise and experience in infrastructure construction. This means that China has the resources (financial and engineering) to assist developing countries, like the Philippines, in their infrastructure development. They also deemed that the BRI is more than just a grand infrastructural integration and connectivity design as it will also expand the regional market, diversify the financing scheme, and reinforce people-to-people connectedness.

The Philippines was eyeing for a sizeable portion of the estimated US$1 trillion that China is investing in infrastructure projects in 60 countries to develop land and maritime routes following the old Silk Road network that once connected China to Central Asia and Europe. Furthermore, it was projected that the China-led program would not only help the Philippines develop its infrastructure, it will also promote free trade and integrate economies across Asia and Europe. In October 2017, Secretary Carlos Dominguez thanked China for its generosity in supporting the administration’s ambitious infrastructure program, noting that both countries have developed numerous bilateral mechanisms that allow closer coordination between them across a broad range of issues and concerns. Interestingly,

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however, he also admitted that comprehensive cooperation between the Philippines and China is only in its early stage. 22

**China’s Broken Promises**

As an archipelagic country that is detached from continental Asia, it is still not clear as to how the Philippines could tap into the BRI fund. When the BRI was unveiled in 2013, the Philippines was not a party to the initiative. The obstacle was the territorial dispute between the two countries over their respective claims in the South China Sea. 23 China excluded the Philippines from the list of countries that would form part of a web of six economic corridors linking China with each of its neighbouring sub-regions. 24 It envisioned that the BRI would help manage the territorial disputes in the South China Sea by diverting the attention of ASEAN leaders away from the zero-sum mindset. However, Chinese analysts saw the Philippines as a Southeast Asian country that is wary about its role in the South China Sea. 25 The Philippines, under the Aquino Administration, even perceived molten salt reactor (MSR) a type of strategic weapon that China will be use to press its territorial ambition in the disputed waters. 26 China only accepted the Philippines as a promising participant in BRI after President Duterte effected his appeasement policy on China in the latter part of 2016.

The Philippines sought Chinese investments in the reclamtion of the Davao coastline, seaport and bulk terminal construction projects in cities such as Davao, Cebu, and Manila, and the building of highways and railways amounting to US$9 billion. 27 In May 2017, President Duterte went to Beijing in person to follow up his initial negotiation with President Xi in October 2016. 28 The Philippine ambassador to Beijing, however, admitted that “there were several discussions between the countries regarding these BRI projects, but they remained discussions way into 2019.” 29

Ongoing BRI projects in the Philippines include the constructions of two bridges in Manila and a projected larger South Long Haul Railway that will connect ports and special economic zones in the main island of Luzon. 30 However, there is no single major port development project that “would have been more in line with the BRI’s thrust of increasing regional connectivity and allow the Philippines to be linked to the Maritime Silk Road.” 31 The absence of such projects limits the Philippines from having closer trade linkages with Asia and Europe. The Nomura Research Institute reported that “most of the big-ticket multi-

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22 Ibid., 1.
23 Delizo, “China Sees Key Role for PH in Belt and Road Initiative,” 1.
25 Ibid., 21.
26 Ibid., 21.
28 Ibid., 113.
31 Ibid., 1.
year projects (under the BRI) in the pipeline are still under consideration and may, therefore, be susceptible to the risk of another pivot when a new (Philippine) president takes over in 2022.”

The shortfall on expected Chinese public investment to the country coincided with a series of incidents between Philippine and Chinese forces in the South China Sea. In mid-June 2018, then Philippine Foreign Affairs Secretary Alan Peter Cayetano disclosed that the Philippines informed China of the four “red lines” in the two countries’ territorial disputes. In the same month, the Philippine government issued a formal demand that China’s Coast Guard steer clear of the Philippines’ traditional fishing grounds around the Scarborough Shoal and stop the harassment of Filipino fishermen around the shoal. This was triggered by TV news that Chinese coast guard personnel are boarding Filipino fishing vessels, inspecting the fish caught, and confiscating the fishermen’s best catch.

In late July 2018, the Philippine government expressed its concern to China over the increase in offensive Chinese radio warnings against Philippine aircraft and ships flying and sailing respectively near Chinese reclaimed and fortified islands in the South China Sea. An internal AFP report, leaked to the Associated Press, revealed that PAF planes patrolling the South China Sea have received at least 46 warnings from Chinese naval outposts in the artificial islands, where more powerful communications and surveillance equipment have been installed along with weapons such as anti-aircraft guns and surface-to-air missiles. On August 15, 2018, President Duterte criticized China for its island-building activities and called on it to temper its behaviour in the South China Sea. Many analysts regarded these statements as the sternest after dramatically cosying up with China and downgrading security relations with the U.S., Manila’s long time formal treaty ally.

Keeping the Philippine-U.S Alliance Intact

In late 2016, President Duterte announced a startling separation from the U.S. by planning to unilaterally abrogate the 1951 Mutual Defence Treaty, the 1997 Visiting Forces Agreement, and the 2015 Enhanced Defence Cooperation Agreement. Fortunately, the five-month siege of Marawi City in 2017 and the Philippine military’s glaring weakness in both conventional and unconventional warfare gave the U.S. the opportunity to bring the Philippines back “onside, rather than pushing it further into China’s embrace.” Stabilizing the Philippine-U.S. alliance became Washington’s urgent strategic priority. In the face of Philippine-China rapprochement, the management of the U.S.-Philippine alliance depends on two key security issues—the South China Sea dispute, unilaterally abrogating and the growing ISIS threat in Mindanao.

The May 2017 siege of Marawi City provided the AFP the rationale for opposing President Duterte’s October 2016 plan to expel American Special Forces from Mindanao. There is

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32 Ibid., 1.
33 Sarah Zheng, “Manila’s Tough Talk on South China Sea aimed at Easing Fears at Home, Analysts Say: Duterte is Under Pressure to Take Hard Line on China over its Military Moves in Disputed Waters,” South China Morning Post June 2, 2018, 1.
currently between 200 to 300 American troops deployed in the Philippines serving in advisory capacity in the AFP’s post Marawi City counter-insurgency/counter-terrorism operations. President Duterte relented to the AFP’s intention to kept American troops in its camps because the U.S. contributes intelligence and military hardware to support its operations against insurgents and terrorist groups in Mindanao.

The crisis in Philippine-U.S. security cooperation in late 2016 was effectively managed despite the AFP’s shift of focus from external defines and maritime security to counter-terrorism and Humanitarian Assistance and Risk Reduction (HADR). Supporting the shared interest of counter-terrorism and HADR enabled the U.S. military to strengthen the pro-American elements in the Philippine government and the AFP that mitigated or thwarted President Duterte’s efforts to “separate” from the U.S. and to gravitate closer to China. Fortunately, the siege of Marawi City bared the need for the alliance to adjust to the changing operational requirements to address the threats to Philippine security. The five-month urban warfare also brought President Duterte onside the U.S., rather than pushing him to the arms of China. Current Philippine-U.S. security partnership hinges on continuous engagements but with a refocused agenda. It teetered on the brink of a total breakdown after President Duterte’s announcement of crossing the Rubicon in October 2016, relative to his charting of an independent course for Philippine foreign policy. By keeping its alliance intact and seeking a clearer security guarantee from the U.S., the Duterte Administration has been applying a soft balancing policy on China despite the Philippine-China rapprochement.

Fostering Security Partnership with Japan: Soft Balancing on the Side

After President Duterte announced his break from the U.S. in October 2016, Japan became the only Western country with a healthy and cordial relationship with the Philippines, making it an important countervailing force to the pervasive Chinese influence on President Duterte’s economic relationship with China. A functioning security partnership with Japan has enabled the Philippines to effectively play its classic diplomatic gambit of pitting one great power against the other, which is a form of soft balancing.

During his working visit to Japan from October 25 to 27, President Duterte witnessed the signing for the lease of five Japan’s Self-Defence Force (JSDF’s) TC-90 maritime reconnaissance planes to monitor Chinese activities in the South China Sea. The leasing of the five TC-90 planes at US$7,000 per plane a year was one of the important decisions of the Duterte Administration in terms of territorial defines as the AFP lacks valuable assets for maritime domain awareness. President Duterte also raised the prospects of the Philippines and Japan holding military exercises in the future.

In the latter months of 2016, Japan’s pressing diplomatic priority was to assist the Philippines in improving its maritime surveillance capabilities to counter Chinese maritime activities in the South China Sea. Japan has strengthened its security ties with the Duterte

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37 Simon, Regional Scepticism, 46.
38 Ministry of Foreign Affairs, “Japan-Philippines Joint Statement” Issued in Tokyo, October 26, 2016.
Administration by fostering periodic consultations between the two countries, and buttressing the Philippine Navy’s (PN’s) and Philippine Coast Guard’s (PCG’s) maritime domain awareness capabilities. For the Philippines, keeping the partnership intact is necessary because Japan remains the country’s most important trading partner, its largest investor, and the home to several thousands of Overseas Filipino Workers (OFWs) whose regular remittances boost the local economy.41

In the aftermath of the destruction of Marawi City by Islamic militants in 2017, Japan has committed to fund and establish PCG radar stations on the islands in the Sulu and Celebes Seas to monitor the movement of terrorist groups transiting between Indonesia and the southern island of Mindanao.42 It would also provide training to the local coast guard personnel who will operate these stations. Prime Minister Shinzo Abe also offered US$2million to help the Philippines rebuild Marawi City, which was extensively damaged during the street-to-street fighting between the AFP and Islamic militants. 43 Japan’s provision of four radar stations is part of a wider ODA package that includes helicopter parts for the PAF, funding for infrastructure projects such as railroads, and financial assistance for the rehabilitation of Marawi City. These loans and grants heighten Japan’s economic and security ties with the Philippines. From Japan’s point of view, notwithstanding the Sino-Philippine rapprochement, the Philippines remains a key factor in preventing China’s political and diplomatic influence from spreading into the Western Pacific. 44

Pursuing ASEAN’s Soft Balancing Approach on China

The idea of an ASEAN-China COC originated on September 2, 2002 after the two parties signed the “Declaration on a Code of Conduct (DoC) of the Parties for the South China Sea.” The DoC was primarily a political statement of general principles of behaviour aimed to stabilize the situation in the South China Sea and prevent the accidental outbreak of conflict in the disputed areas. The ASEAN’s goal is to transform the DoC into a legally binding Code of Conduct (CoC) and not just a broad statement of principles. As an association of small and medium powers, ASEAN has prioritized the drafting of a binding conduct because it represents a complex commitment to creating and fostering a rules-based system, as opposed to a power-based, regional order. The CoC should serve both as a rules-based framework containing a set of norms, rules, and procedures that guide the conduct of parties in the South China Sea, and a confidence building mechanism in support of “a conducive environment for peaceful settlement of disputes, in accordance with international law.”45

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44 Kelly and Kubo, “Japan to Build Four Radar Stations for the Philippines,” 2.
45 Alice Ba, “ASEAN’s Stakes: The South China Seas Challenge to Autonomy and Agency,” Asian Policy 21 (January 2016), 49.
On May 18, 2017, China and the ten ASEAN-member states announced that they finally agreed on a framework for a code of conduct on the South China Sea. At a press briefing after the China-ASEAN foreign ministers’ meeting, Chinese Foreign Minister Wang Yi said that he would like to wrap up the deliberations on a CoC, indicating that China was positive about the conclusion of a CoC. On August 6, 2017, foreign ministers of the ASEAN-member states and China endorsed the framework of the CoC negotiation. The agreement on a framework agreement is a small step forward in the conflict-management process for the South China Sea dispute.

The agreed framework, however, is short on details and contains many of the principles and provisions already mentioned in the 2002 DoC. The ASEAN insists that the CoC must be legally binding. However, Beijing wants that the adherence to the CoC should be voluntary like the 2002 DoC. Furthermore, although the framework includes new reference to the prevention and management of incidents, the phrase “legally binding” is absent from the text along with its geographical scope, and enforcement and arbitration mechanisms. It is expected that the negotiation for a CoC will be a long and protracted process, and most possibly as frustrating since ASEAN and China are still in a quandary as to whether the future CoC will be legally or non-legally binding.

The framework agreement aims to exclude the U.S. and Japan as external actors “who interfere” in the dispute, and to marginalize the ASEAN’s role in the South China Sea dispute as it emphasizes Southeast Asian claimant states only versus China. It is framing the future negotiation of the CoC as strictly an issue between China and the claimant states. The ASEAN is playing a limited role in the conflict-management, and most importantly, without any interference from external powers such as the U.S. and Japan.

As the country coordinator of the ASEAN-China Dialogue, President Duterte declared that the Philippines is committed to advancing an early adoption of the CoC in the South China Sea with relevant parties. He added that the path to peaceful resolution of the South China Sea dispute can be achieved through cooperation, rather than confrontation. China agrees with him as Premier Li Keqiang said on November 13, 2018 in Singapore that his country hoped to complete the CoC negotiations within three years.

President Duterte declared that he planned to discuss with President Xi the CoC’s negotiations and how they can expedite its conclusion. He argued out that the “absence of the CoC that is to be observed by the affected countries has caused numerous conflicts in the subject waters that could have been prevented by a document that will regulate their actions.” Xi welcomed the Philippine president’s efforts to hasten the conclusion of negotiation for a CoC as he described the CoC as a creative way to set rules for the resolution of the South China Sea dispute.

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50 Ibid., 45.
However, the Chinese leader emphasized that the joint efforts for the early conclusion of the COC should “exclude external disturbances in order to focus on cooperation and developments to safeguard regional peace and stability.” This is an indication that the COC that will be concluded in 2022 will be different from what the ASEAN envisioned in 2002. It begs the question of whether or not the contents of the COC will make it a set of rules and norms that ASEAN has sought since the mid-1990s with binding legal effects. The ASEAN’s original goal was to use the CoC as a means of effecting a soft-balancing policy on China. The 2022 CoC, however, will probably contain provisions that will enable China to assume a leadership role vis-à-vis the ASEAN member states, and ensure that there will be no need for countries outside of the region to be involved in the dispute. This will eventually allow Beijing to establish a Sino-centric regional order in Southeast Asia.

Conclusion

Shortly after assuming office in mid-2016, President Detente’s pursued an appeasement policy on China relative to the South China Sea imbroglio. He distanced his country from its long-standing treaty ally while cosying up to a regional power bent on effecting a territorial revision in the East Asia. He also set aside the 2016 UNCLOS decision on the South China Sea dispute. Evidently, the Duterte Administration was convinced that its appeasement policy on China was worth pursuing because it would make the Philippines a beneficiary of the former’s emergence as a global economic power. However, China has not reciprocated the Philippines’ appeasement policy as it has delayed the funding of various infrastructure projects under the Duterte Administration’s “Build, Build, Build” program. PLA units have also continued their coercive actions against Philippine military aircraft and ships operating in the South China Sea.

As a consequence, the Philippines has slowly and reluctantly adopted a policy of soft balancing. It pursues soft balancing by: a) fostering its security partnership with Japan; b) maintaining its alliance with the U.S.; and c) pushing for the immediate passage of the ASEAN-China COC. In 2016, the Duterte Administration’s goal was to promote closer Philippine-China economic diplomatic relations that could moderate Chinese coercive behaviour in the South China Sea. Three years after experimenting with an appeasement policy, the Philippine government’s objective vis-à-vis China has changed. The goal now is to restrain Chinese aggressive behaviour in the South China Sea through the country’s alliance with the U.S., its security partnership with Japan, and a more active participation in the ASEAN. The Duterte Administration hopes that these measures can stop or constrain China’s heavy-handed behaviour vis-à-vis the Philippines relative to the South China Sea dispute.


56 Ibid., 35.