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**ENHANCED DEFENSE COOPERATION AGREEMENT:
AQUINO III'S BALANCING STRATEGY WITH THE
UNITED STATES AGAINST CHINA**

by

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March 2017

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BALANCING STRATEGY WITH THE UNITED STATES AGAINST CHINA**

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ABSTRACT

This thesis seeks to examine the conditions that led Philippine President Benigno Aquino III to pursue the 2014 Enhanced Defense Cooperation Agreement (EDCA) with the United States as the principal element of his strategy to balance against China. The EDCA will facilitate the U.S. military's rotational access to bases across the Philippines, allowing the former to increase its strategic footprint in the region and elevating the scope of the 1951 Mutual Defense Treaty and Visiting Forces Agreement between the United States and the Philippines.

Aquino III's strong support for the EDCA, however, met an equally fervent opposition from political and public spheres, questioning the constitutionality of the agreement and legitimacy of Aquino's unilateral decision outside the purview of the Philippine Senate. Whereas the Aquino III administration considered the Chinese aggression in the South China Sea as an existential threat to the Philippines, the domestic opponents of the EDCA did not share Aquino's concern. Rather, while some of the opposition feared the costs of balancing with the United States and not just against China, others desired to avoid excessive U.S. influence.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	MAJOR RESEARCH QUESTION.....	1
B.	SIGNIFICANCE OF THE RESEARCH QUESTION.....	2
C.	LITERATURE REVIEW	2
1.	Shifts in Philippine Foreign Policy	3
2.	Explaining the Shifts in Philippine Policy Choices	5
D.	POTENTIAL EXPLANATIONS AND HYPOTHESES	10
E.	RESEARCH DESIGN	11
F.	THESIS OVERVIEW AND CHAPTER OUTLINE.....	12
II.	SHIFTS IN PHILIPPINE FOREIGN POLICY	13
A.	CORAZON AQUINO’S FOREIGN POLICY (1986–1992): COPING WITH THE END OF U.S. MILITARY PRESENCE	14
B.	FIDEL V. RAMOS’S FOREIGN POLICY (1992–1998): RE- ESTABLISHING AMERICAN PRESENCE	16
C.	GLORIA ARROYO’S FOREIGN POLICY (2001–2010): EQUI- BALANCING BETWEEN CHINA AND THE UNITED STATES	19
D.	BENIGNO AQUINO III’S FOREIGN POLICY (2010–2016): BALANCING WITH THE UNITED STATES AND AGAINST CHINA	22
E.	CONCLUSION	24
III.	CONDITIONS LEADING TO EXTERNAL BALANCING.....	29
A.	DOMESTIC FACTORS.....	30
1.	The Communist Movement.....	31
2.	The Muslim Insurgency.....	33
3.	AFP Modernization Program under Aquino III.....	35
B.	AVAILABILITY OF AN ALLIANCE: THE U.S. REBALANCE TO ASIA	37
C.	THE ROAD TO EDCA	39
D.	OPPOSING AND AFFIRMING EDCA’S CONSTITUTIONALITY.....	40
E.	CONCLUSION	43
IV.	CONCLUSION	45
A.	BALANCING BEHAVIOR	45
B.	EXTERNAL BALANCING	46

C. IMPLICATIONS OF FINDINGS FOR POST-AQUINO III PHILIPPINES.....	47
LIST OF REFERENCES.....	51
INITIAL DISTRIBUTION LIST	59

LIST OF ACRONYMS AND ABBREVIATIONS

AFP	Armed Forces of the Philippines
ASEAN	Association of Southeast Asian Nations
ASG	Abu Sayyaf Group
BBL	Bangsamoro Basic Law
CPP	Communist Party of the Philippines
DOC	Declaration on the Conduct of Parties in the South China Sea
EDCA	Enhanced Defense Cooperation Agreement
EEZ	exclusive economic zone
HADR	humanitarian assistance/disaster relief
IPSP	Internal Peace and Security Plan
JMSU	Joint Marine Seismic Undertaking
JSOTF-P	Joint Special Operations Task Force – Philippines
MBA	Military Bases Agreement
MDT	Mutual Defense Treaty
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
NATO	North Atlantic Treaty Organization
NPA	New People’s Army
UNCLOS	United Nations Convention of the Law of the Sea
VFA	Visiting Forces Agreement

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I. INTRODUCTION

In 2014, the Philippine and U.S. governments signed an Enhanced Defense Cooperation Agreement (EDCA) that would facilitate the U.S. military's rotational access to bases across the Philippines, enable the United States expand its strategic footprint in the region, and strengthen the two countries' alliance, which rests on the 1951 Mutual Defense Treaty (MDT) and the 1999 Visiting Forces Agreement (VFA). This thesis seeks to explain why Philippine President Benigno Aquino III chose to pursue EDCA and finds that it was the principal element of his strategy to balance against China.

As the foreign threat from China became increasingly apparent during the early years of his administration (2010–2016), Aquino III hastily adopted an internal balancing policy by implementing a comprehensive plan to modernize the Armed Forces of the Philippines (AFP). The limited gains from this effort prompted him to quickly take steps to expedite the attainment of added security through external balancing with Washington, resulting in the signing of the EDCA. This thesis finds that his action is consistent with Stephen Walt's balance of threat theory.

A. MAJOR RESEARCH QUESTION

President Benigno Aquino III's strong support for the EDCA met an equally fervent opposition from political and public spheres, questioning the constitutionality of the agreement and legitimacy of Aquino III's unilateral decision outside the purview of the Philippine Senate. Whereas the Aquino III administration considered the Chinese aggression in the South China as an existential threat to the Philippines, the domestic opponents of the EDCA did not share Aquino III's concern. Rather, while some of the opposition feared the costs of balancing with the United States and against China, others desired to avoid excessive U.S. influence. This thesis will examine the factors that aid in formulating an answer to the research question: Why did the Aquino III government pursue the EDCA, in spite of strong domestic opposition?

B. SIGNIFICANCE OF THE RESEARCH QUESTION

Aquino III's foreign policy behavior has three important global implications. First, examining the range of options that Aquino III had at his disposal in response to a rising threat has implications for policymakers in understanding the strategies of small states like the Philippines in dealing with foreign threats from a greater power. Second, as the competing influences of the United States and China grow in Southeast Asia, it is important to understand how domestic pressures can influence the foreign policy choices of small states like the Philippines when internal balancing is a challenge and external balancing with an ally is possible. Third, the signing of the EDCA, as a result of Aquino III's foreign policy decision, has implications for the ability of the United States and China to keep allies within their respective orbits.

Due to its deeply rooted security relationship with the United States, the Philippines has historically shown a pro-American stance since its independence in 1946. Aquino III's perception of a growing Chinese threat led him to increase the country's reliance on this relationship. A policy of hard balancing with the United States, however, can be challenged by the incentives to maintain close ties with a rising China, as demonstrated by Aquino III's predecessor, Gloria Arroyo. During her tenure, Arroyo pursued a diplomatic strategy of "equi-balancing"—a form of soft balancing—the United States and China.¹ An analysis of Aquino III's decision to depart from his predecessor's strategy of balancing with the United States and China would provide an insight into how domestic factors can influence the evolution of foreign policy, and how the U.S. rebalancing policy within the region and China's rise can influence the security alignment strategies of small states.

C. LITERATURE REVIEW

In international relations, states respond to threats in several different ways. Realists envision the policy choices to range from balancing (internal and external) to

¹ Renato Cruz De Castro, "The Aquino Administration's Balancing Policy Against an Emergent China: Its Domestic and External Dimensions," *Pacific Affairs* 87, no. 1 (2014): 8.

bandwagoning. In the case of small states like the Philippines, realists suggest that their lack of ability to internally balance against strong states makes bandwagoning with threatening states preferable over balancing against them. Meanwhile, when a threat is imminent and a powerful ally is available, small states are likely to resort to external balancing. However, due to lack of domestic consensus on the threat, small states may underbalance or seek limited alignment with a larger power.

This section will describe the shifts in the Philippines' foreign policy choices since its independence from the United States. As such, there will be an emphasis on the outcome of the foreign policy decision of the Aquino III administration. Thus, this review aims to describe the literature that will guide the analytical framework for answering the main research question of why Aquino III pursued the EDCA.

1. Shifts in Philippine Foreign Policy

Since gaining independence from the United States in 1946, the Philippines has maintained a security alliance with its former colonizer. The 1947 Military Bases Agreement (MBA) and the 1951 MDT have underwritten this defense relationship. These treaties served as the de facto security guarantee for the Philippines by allowing the presence of several American military bases in the country. Establishing these defense treaties during the early years of the Cold War suggested that the Philippines recognized and feared the emerging threat of communism in the region. Thereby, the Philippines sought to balance with the United States against the perceived adversary at the time, the Soviet Union.

Notwithstanding the close security partnership with the United States, Philippine governments occasionally aimed to reduce the country's reliance on their strategic ally. From the 1960s to the 1980s, under Ferdinand Marcos, the country asserted its autonomy by establishing diplomatic ties with America's Cold War competitors—the Soviet Union

and China.² After the collapse of the Soviet Union, the U.S.-Philippine alliance subsequently weakened as consensus over the foreign threat declined and domestic concerns about excessive dependence on the United States rose. The end of the Cold War along with the rise of Philippine nationalism, which culminated in the 1986 People Power Revolution to ouster Marcos and re-install democracy under Corazon Aquino, diminished the rationale for external balancing. Under Corazon Aquino, the calls for the removal of the American bases intensified. Thus, the MBA—amended in 1966 to remain in effect for 25 years and not 99 years as originally negotiated—reached its end in 1991 when the Philippine Senate rejected a treaty to keep the U.S. bases in the country.³

Despite the abrogation of the MBA, the security alliance with the United States remained crucial and indispensable to Philippine security. The discovery of China's Mischief Reef occupation in 1995 heightened the Philippines' perception of China as the greatest foreign threat and increased the government's interest in balancing with the United States against China. Under Fidel V. Ramos, the Philippine foreign policy yet again reverted to a balancing strategy against the emerging foreign threat. In 1995, the Ramos administration launched a military upgrade program designed to modernize the AFP. The efforts, however, yielded a modest improvement to the military. Thus, Manila began to revive its security relations with Washington. In 1998, the VFA was signed, creating a firm legal basis for U.S. military personnel to undertake activities in the Philippines for the first time since 1992.⁴ The mixed efforts of internal and external balancing clearly suggest that Manila's decisions about whether to balance and how to balance have varied over time.

² John D. Ciorciari, *The Limits of Alignment: Southeast Asia and the Great Powers since 1975* (Washington: Georgetown University Press, 2010), 165. <http://www.jstor.org/stable/j.ctt2tt3f8>. ; Archie B. Resos, "International Realities and Philippine Foreign Policy Under Ferdinand Marcos," *Foreign Policy Journal*, 2013, <http://www.foreignpolicyjournal.com/2013/10/28/international-realities-and-philippine-foreign-policy-under-ferdinand-marcos/view-all/>.

³ David Sanger, "Philippines Orders U.S. to Leave Strategic Navy Base at Subic Bay," December 28, 1991, *The New York Times*, <http://www.nytimes.com/1991/12/28/world/philippines-orders-us-to-leave-strategic-navy-base-at-subic-bay.html?pagewanted=all>.

⁴ Frank Cibulka, "The Philippine Foreign Policy of the Ramos Administration: The Quest for Security of a Weak State," *Asian Journal of Political Science* 7 (1999): 126.

The administrations of Joseph Estrada and Gloria Arroyo witnessed China's rise as a powerful country, but not one that either leader viewed as threatening. As such, both Estrada and Arroyo faced weak incentives to balance against China. Under Arroyo, the Philippines bolstered its defense relationship with the United States, but did so in order to counter insurgent and terrorist threats, not to balance against China or any other foreign country. At the same time, Arroyo sought to strengthen economic ties with China. The ensuing counterinsurgency operations between the U.S. and Philippine armed forces under the auspices of Joint Special Operations Task Force—Philippines (JSOTF-P) suggested the weakening of Philippine opposition to the issue of U.S. basing in the country.

Under the Aquino III administration, the maritime dispute between the Philippines and China reached new heights. After the Scarborough Shoal incident in 2012, a domestic consensus emerged that China posed a threat to Philippine interests. Sharp resource constraints, and a belief that Manila had to respond quickly, led the Aquino III government to align more closely with the United States and to balance against China. The availability and resurgence of the alliance with the United States reinforced Aquino III's foreign policy decision to pursue the EDCA.⁵

2. Explaining the Shifts in Philippine Policy Choices

a. Balancing and Bandwagoning Behaviors

The foreign policy behavior of Aquino III, one based on the perception of threat, appears consistent with Stephen Walt's balance of threat theory. Walt makes several assertions to explain his theory. One of the main arguments of his theory posits that threat perception is the main factor driving states' behavior, whether to balance or bandwagon. When faced with an external threat, states either seek to align, or balance, "with others

⁵ Mark Felsenthal and Matt Spetalnick, "Obama Says U.S. Commitment to Defend Philippines 'Ironclad,'" *Reuters*, April 29, 2014, <http://www.reuters.com/article/us-philippines-usa-obama-idUSBREA3S02T20140429>.

against the prevailing threat,” or seek alignment “with the source of danger,” or bandwagon.⁶

Some of Walt’s findings are especially relevant to countries like the Philippines. In particular, he found that states commonly preferred balancing to bandwagoning. Walt argues that states choose to balance against the threat for two reasons: it is a “safer strategy to join with those who cannot readily dominate their allies,” and “joining the weaker side increases the new member’s influence within the alliance.”⁷ Weak states, however, tend to bandwagon due to their inability to mobilize their own resources to increase their security.⁸ Conversely, when the availability of an alliance is present, small states are instead inclined to balance against the threat.⁹ In short, the decision of weak states to either balance or bandwagon is significantly influenced by the accessibility of allies. Whereas the absence of outside assistance forces weak states to accommodate the most imminent threat, availability of allied assistance affords weak states the option to balance against the threat. Moreover, Walt asserts that in determining to balance or bandwagon, it is important to consider the different factors that affect the level of threat that states may pose: 1) aggregate power; 2) geographical proximity; 3) offensive power; and, 4) aggressive intentions.¹⁰ Aggregate power—a state’s total resources—determine the level of threat a state can pose to another. Geographic proximity matters because states that are nearby are often more threatening than those that are farther away. Offensive power is “the ability to threaten the sovereign or territorial integrity of another state at an acceptable cost.”¹¹ Finally, despite possessing modest capabilities, states that are perceived as aggressive face the likelihood of eliciting balancing behavior from other

⁶ Stephen M. Walt, *The Origins of Alliance* (Ithaca, NY: Cornell University Press, 2013), 17.

⁷ *Ibid.*, 18–19.

⁸ *Ibid.*, 263.

⁹ *Ibid.*, 30.

¹⁰ *Ibid.*, 22.

¹¹ *Ibid.*, 24.

states.¹² In this regard, Walt's balance of threat theory merits Aquino III's foreign policy choice of responding to the Chinese threat through balancing with the United States.

b. Domestic Constraints to Balancing Behavior

Engaging in a balancing behavior is one way for states to generate military capability; states can either adopt an internal or external balancing strategy. Neoclassical realism holds that a state's preference of one over the other can be explained by domestic variables such as state institutions, elites, and other actors within society. Randall Schweller conceives of four domestic-level factors that "thwart balancing behavior, especially internal balancing in the form of costly military mobilization drives," which could disrupt the state's ability to function as a unitary actor: 1) a lack of elite consensus; 2) a lack of elite cohesion; 3) a lack of social cohesion; and 4) regime or government vulnerability.¹³ These variables affect the power and freedom of action of the decision makers in choosing a foreign policy. First, as Schweller explains, elite consensus describes the level of agreement among the policymaking elites on the nature and extent of the threat, and the most effective response; when there is elite consensus to balance, the state will do so. Second, elite cohesion concerns the degree of fragmentation within the government's political leadership; when there is no unity among the elite, it is less likely that the state will agree on a balancing strategy. Third, social cohesion describes the connectedness among individuals and groups within a society; states with high level of social cohesion will be "most likely to balance against external threats."¹⁴ Lastly, regime or government vulnerability speaks about the governing elite's effectiveness, political authority, and legitimacy and its ability to effectively compromise between security from foreign threat and domestic stability.¹⁵

On the one hand, Schweller asserts that incoherent and fragmented states exhibit unwillingness and inability to balance against security threats because of the inclinations

¹² Ibid., 25.

¹³ Randall L. Schweller, *Unanswered Threats* (Princeton, NJ: Princeton Univ. Press, 2006), 11–12.

¹⁴ Ibid., 12.

¹⁵ Ibid., 50.

of the elite to place higher values on the domestic risks, inhibiting the mobilization of required resources from a divided society.¹⁶ Additionally, James Morrow claims that obtaining the wherewithal to internally balance involves gaining support from domestic groups. Whereas some groups may oppose internal balancing due to the likelihood of incurring unnecessary costs, others may support such policy in order to reap the potential benefits.¹⁷ The question becomes how high a domestic cost in political support these groups are willing to pay for added security. Moreover, Kenneth Waltz explains much of these same consternations by asserting that because of the uncertainty that abound in external balancing, or alliances, internal balancing becomes the more reliable choice of states.¹⁸

On the other hand, small states or developing countries generally lack formidable independent power capabilities.¹⁹ When states are unable to muster the resources to develop their capabilities, they resort to an external balancing policy. Combining of forces, or forming coalitions and alliances, emerges as a result of states “falling behind” in pursuit of security.²⁰ Moreover, because external balancing expedites the attainment of added security, it becomes an appealing course of action for weak states that are vulnerable to an imposing and immediate threat.²¹ As such, the availability of alliance with the United States was a distinct advantage for Aquino III to choose external over internal balancing.

The applicability of the domestic factors mentioned was evident at different levels within the Philippine case study. At the security level, the inadequacy of resources inhibited the realization of improving the AFP’s military capabilities through the defense upgrade program, stifling the benefits of internal balancing. At the political level, the

¹⁶ Ibid., 47.

¹⁷ James D. Morrow, “Arms Versus Allies: Trade-Offs in the Search for Security,” *International Organization* 47, no. 2 (1993): 215.

¹⁸ Kenneth Neal Waltz, *Theory of International Politics* (New York: McGraw-Hill, 1979), 168.

¹⁹ Ciorciari, *Limits of Alignment*, 1.

²⁰ Waltz, *International Politics*, 126.

²¹ Morrow, “Arms Versus Allies,” 208.

opposition groups to the Aquino III administration raised domestic concerns vis-à-vis Aquino III's foreign policy. Moreover, the lack of elite consensus and cohesion on the severity of the China threat only made the security resolution process more challenging. Owing to this inadequacy and the immensity and immediacy of the China threat, Aquino III was prompted to increase Philippine security through external means.

To summarize, Aquino III's decision to choose external over internal balancing was driven by domestic constraints, namely, lack of domestic consensus on the gravity of the perceived threat and the country's inability to develop its own capabilities. Moreover, the availability of the alliance with the United States further reinforced the rationale for Aquino III to pursue external balancing.

c. Measuring the Intensity of Alignment

Aside from the two classic options of balancing and bandwagoning, John Ciorciari adds that states, small and weak ones in particular, could choose limited alignment. Ciorciari contrasts limited alignments to tight alliances, which are characterized by deep, institutionalized defense relationships involving formal treaties and mutual defense agreements. Limited alignment is a type of an alliance that typically requires lesser security commitment than a tight alliance, but involves other defense arrangements such as preferential weapons sales, joint military training exercises, and other forms of military and security assistance.²²

The Philippines' strength of alliance with the United States has risen and fallen over the decades. These variations were contingent upon the nature of the Philippines' need to balance against a perceived contemporary threat. Through the end of the Cold War, for instance, the security partnership between the Philippines and the United States was described as a tight alliance.²³ For the most part, since 1975, the Philippine balancing behavior did not reflect much of Ciorciari's limited alignment premise despite Marcos'

²² Ciorciari, *Limits of Alignment*, 8.

²³ *Ibid.*, 8, 164–68.

attempts to limit the alliance.²⁴ The period between the post-Cold War and post-9/11 witnessed yet another series of fluctuations in the intensity of the security alliance. For example, the expulsion of the American bases in the early 1990s signaled a decline in the alliance, while the China threat and the Philippines' involvement in America's global war on terror resurrected—and tightened—the U.S.-Philippine relationship despite the absence of a major basing agreement. Although the MDT has persisted through the decades despite the ambiguity of the treaty provisions, the absence of a permanent basing rights designated the alliance as a limited alignment, consistent with Ciorciari's definition.²⁵ Thus, Aquino III's successful pursuit of the EDCA—essentially a basing agreement that raises the scope of the MDT—returned the U.S.-Philippine relationship to a tight alliance.

D. POTENTIAL EXPLANATIONS AND HYPOTHESES

This thesis examines three factors that shaped Aquino III's foreign policy: first, the presence of a threat from China which Aquino III perceived to be more pressing than his predecessor had; second, the U.S. rebalance which presented Manila the opportunity to revitalize and reconfigure its security partnership with Washington; and third, the enduring domestic security challenges that continued to constrain the government from mounting a credible territorial defense. In this context, this thesis will examine two hypotheses explaining Aquino III's foreign policy decision.

The first hypothesis stipulates that Aquino III's pursuit of the EDCA was the result of Manila's decision to balance against the perceived Chinese threat. The escalation of Chinese behavior in the South China Sea in recent years has given the Philippines ample security concerns, provoking a hasty response from the Aquino III government. Moreover, the deep and long-standing ties between the United States and the Philippines played favorably to Aquino III's balancing strategy. Thus, the signing of the

²⁴ Ibid., 173.

²⁵ Ibid., 8.

EDCA facilitated the renewal of the U.S.-Philippine alliance—the by-product of Aquino III’s balancing decision.

The second hypothesis builds on Aquino III’s decision to balance against China. Recognizing the need to quickly respond to the outside threat but hampered by domestic constraints to effectively internally balance against China, Aquino III chose external balancing with the United States in order to expeditiously acquire the needed security. This hypothesis draws upon Walt’s four factors that characterize the level of threat. As this thesis will show, China’s aggregate power and geographical proximity vis-à-vis the Philippines remained unchanged during the Aquino III administration, while its offensive power and aggressive intentions—in Aquino III’s assessment—increased substantially.

E. RESEARCH DESIGN

The research framework employed by this thesis will focus on addressing the dual premise that explains the pursuit of the EDCA: Aquino III’s decision to balance against China, and the manner in which he chose to balance with the United States. Within this dual premise context, this thesis will examine the Philippine governments’ foreign policy since the end of the Marcos regime in 1986 until the end of the Aquino III administration in 2016. The aim is to describe the security alignment strategies that each administration adopted, and then determine the patterns in balancing behavior between the administrations. Applying the framework drawn from Walt, this thesis will aim to describe the conditions that led to Aquino III’s decision to balance against China.

Additionally, this thesis will examine the domestic-level factors that influenced Aquino III’s choice to pursue external balancing with the United States against China. As such, this thesis will study the domestic threats that the Philippines faced and how these threats influenced the degree of the Philippines’ balancing behaviors over time. Specifically, this thesis will examine the domestic conditions surrounding the Arroyo and Aquino III administrations, and describe how the domestic-level factors that were articulated in the literature review contributed to Aquino III’s decision to engage in external balancing with the United States against China.

F. THESIS OVERVIEW AND CHAPTER OUTLINE

This thesis asks why Aquino III pursued the EDCA. The main research question will be answered in a manner that addresses the dual premise, or two subquestions, as previously stated.

Chapter II will address the first subquestion: whether to balance. This chapter will focus mainly on the shift of foreign policy under Aquino III and will draw the contrasts with his predecessor, Arroyo, in order to describe the changes that occurred between their administrations. The aim is to explain that Aquino III's decision to adopt a balancing policy was born mainly out of his administration's assessment of the Chinese actions as the preeminent threat to Philippine interests and security.

Chapter III will address the second subquestion: how to balance. The aim of this chapter is to describe the conditions that led Aquino III to choose an external balancing policy during his tenure. There will be a discussion of earlier eras as necessary to describe the severity of the constraints that Aquino III faced, such as the debilitating effect of the absence of American bases and the decades-long counterinsurgency to the territorial security posture of the Philippines.

This thesis concludes that the Aquino III administration ultimately chose a foreign policy of external balancing with the United States against China due to the assessment that the latter posed the preeminent threat to the Philippines, the inability of the Philippine government to improve and rely on its own capabilities to counter the threat, and the availability of a revitalized U.S. alliance to balance against China.

II. SHIFTS IN PHILIPPINE FOREIGN POLICY

This chapter addresses the first subquestion posed by this thesis: whether to balance. The purpose of this chapter is to show that the Philippines' decision whether to balance has varied over time. This was effectively demonstrated by the shifts in foreign policies between successive administrations, beginning with Corazon "Cory" Aquino and ending with her son, Benigno Aquino III. Corazon Aquino's foreign policy was predicated on the lack of perceived threat to national security, and centered on the preservation of the American bases while faced with strong domestic anti-bases sentiment. The succeeding government of Fidel V. Ramos faced a threat emanating from the South China Sea, which compelled Ramos to pursue internal and external balancing strategies. The administration of Joseph Estrada experienced massive domestic turbulence that abruptly ended in his untimely ouster. His vice-president, Gloria Arroyo, took over as acting president. During her presidency, Arroyo did not perceive China as a threat, and instead managed to balance closer ties with both Washington and Beijing, albeit fraught with political controversies. After Aquino III became president, he formulated a foreign policy of balancing with the United States against a threatening China.

Most notably, this chapter aims to highlight the shift of foreign policy under Aquino III and how it contrasts with Arroyo's. On the one hand, Arroyo chose to tread the middle ground between hard alignment and neutrality by touting a strategy of "equi-balancing" between the United States and China. This is an indication that she did not consider China as an imminent threat, focusing her efforts instead on suppressing domestic insurgency through American military assistance. On the other hand, Aquino III faced a very dynamic geopolitical environment—China's rise as a regional power and the U.S. strategic rebalance to Asia—that prompted him to alter his foreign policy outlook. Aquino III's assessment of the Chinese actions as the preeminent threat to Philippine security led him to adjust his policy towards greater balancing against China while he revitalized the Philippine alliance with the United States.

A. **CORAZON AQUINO'S FOREIGN POLICY (1986–1992): COPING WITH THE END OF U.S. MILITARY PRESENCE**

Although the Philippines under Corazon Aquino did not face an imminent foreign threat, the rising tide of Filipino nationalism—exemplified by the 1986 People Power revolution that ended the dictatorial Marcos regime—became a significant element in determining the future of the country's security, which for decades had been guaranteed by the presence of the American military forces. Thus, the issue of keeping the American bases in the Philippines would mainly define Corazon Aquino's foreign policy because the preservation of the bases held implications for Philippine national security and U.S. strategic interests in the region. To be sure, Washington's support for the nascent Filipino democracy came with the implicit motive to create a stable political climate for the continued U.S. operations at Clark Air Base and Subic Naval Base—the two largest overseas American bases.²⁶ Despite the promising outlook of a stable Philippine government, however, Aquino was unable to counter the mounting domestic opposition to the continued U.S. presence in the country, resulting in the abrogation of the MBA and the decline of the alliance.

Early in Aquino's tenure, she vowed not to renounce the existing Military Bases Agreement (MBA) and to let it expire at the negotiated time, but she remained open to consultation for a possible renewal or extension of the basing agreement.²⁷ This policy seemed reasonable given her dependence on U.S. support, particularly at the onset of her administration. After the removal of Marcos, the United States showed a renewed confidence in the Philippines, eagerly appropriating a total of US\$500 million in economic aid and US\$100 million in military aid to the Aquino government.²⁸

Despite her pro-American stance and implicit efforts to retain the bases, however, Aquino was cautious about excessively relying on American benevolence. She limited

²⁶ Walden Bello, "U.S.-Philippine Relations in the Aquino Era," *World Policy Journal* 5, no. 4 (1988): 690.

²⁷ Claude Albert Buss, *Cory Aquino and the People of the Philippines* (Stanford, CA: Stanford Alumni Association, 1987), 179.

²⁸ *Ibid.*, 174–78.

the amount of American weapons and equipment to what “she deem[ed] necessary to counter the insurgents in *her* way, not the American way.”²⁹ Likewise, her policymakers were cautious and more restrained about publicly expressing anti-bases sentiment, aware of the security implications and economic benefits of continued American presence in the country. For instance, Vice-President Salvador Laurel declined to go on record for the removal of the bases, even though he advocated an independent foreign policy. Former Minister of Defense Juan Ponce Enrile vacillated on his sentiments regarding the bases. Under Marcos, he was vocally anti-bases, while under Aquino, his tenor changed in support of the Americans. After his removal from the Aquino cabinet, he quickly reverted to his anti-American sentiments.³⁰

Aside from the domestically held objection to the bases that their unrestricted use was infringing on Philippine sovereignty, extending the basing agreement became problematic on account of two related developments: rising mass opposition to the bases within the country and increased support for a neutral Asia-Pacific region.³¹ First, the 1998 review of the MBA elicited strongly negative reaction in the Philippines, which called for fundamental changes such as substantially raising the lease payments to US\$1 billion annually.³² Several other objections to the bases included the mass prostitution and other unsavory aspects of life near the bases, and the unfair labor practices of underpaying the Filipino workers on base compared to their American counterparts.³³ Second, the most worrisome issue about the bases was the danger of a nuclear attack in a U.S.-Soviet conflict in which the Philippines might otherwise not be involved.³⁴ The 1987 Philippine Constitution “contains an anti-nuclear clause that could be used to deny

²⁹ Ibid., 177.

³⁰ Ibid., 182–3.

³¹ Bello, “U.S.-Philippine Relations,” 690; *The Philippines, Facing the Future: An Assessment of the Prospects for the Philippines and for Philippine-America Relations: A Report of the Findings of a Study Mission to the Philippines Sponsored by the Asia Society of New York and the Center for Research and Communication of Manila* (Lanham, MD: University Press of America, 1986).

³² Buss, *Cory Aquino*, 181.

³³ Ibid., 180–81; *The Philippines, Facing the Future*.

³⁴ Ibid.

access to the bases by U.S. forces, which, as a matter of policy, refuse to reveal whether their ships or aircraft carry nuclear weapons.”³⁵

Owing to these objections, the calls for the removal of the American bases intensified as the MBA was reaching its expiration in 1991. Although the 1988 review of the MBA resulted in the signing of a new basing agreement that would have extended the U.S. lease of Subic Bay another 10 years, the Philippine Senate rejected the deal on September 16, 1991.³⁶ Aquino then briefly proposed a referendum on the new agreement; however, this effort was eventually abandoned. Thus, the MBA—amended in 1966 to remain in effect for 25 years and not 99 years as originally negotiated³⁷—faced the reality of termination, allotting the Americans a three-year period to withdraw.³⁸ On November 24, 1992, the last U.S. personnel left the country.³⁹

B. FIDEL V. RAMOS’S FOREIGN POLICY (1992–1998): RE-ESTABLISHING AMERICAN PRESENCE

The Philippines in the early 1990s faced an international context that would prove instrumental in the formulation of Ramos’ foreign policy. The end of the Cold War era meant that there was a diminished perception of threat, thus justifying the departure of the U.S. military bases from the Philippines, which signaled the end of its close relationship with the United States. These developments, along with the emerging Chinese aggression in the South China Sea, had “for the first time since World War II

³⁵ Richard D. Fisher, “A Strategy for Keeping the U.S. Bases in the Philippines,” *The Heritage Foundation*, no. 78 (May 20, 1988), <http://www.heritage.org/research/reports/1988/05/a-strategy-for-keeping-the-us-bases-in-the-philippines>.

³⁶ The eruption of Mt. Pinatubo in June 1991 caused significant damage to U.S. facilities. As a result, the United States decided to relinquish Clark Air Base and negotiate only for the Subic Bay Navy Facility. United States General Accounting Office, *Military Base Closures: U.S. Financial Obligations in the Philippines: Report to Congressional Requestors* (Washington, DC, : Gaithersburg, MD: The Office, 1992).

³⁷ Milton Walter Meyer, *A Diplomatic History of the Philippine Republic* (Honolulu: Univ. of Hawaii Press, 1965), 45.

³⁸ USGAO, *Military Base Closures*.

³⁹ Frank Cibulka, “The Philippine Foreign Policy of the Ramos Administration: The Quest for Security of a Weak State,” *Asian Journal of Political Science* 7, no. 1 (June 1, 1999): 121. doi:10.1080/02185379908434139.

confronted Manila with slowly rising perceptions of external threat.”⁴⁰ This threat perception was amplified by the inability of the Armed Forces of the Philippines (AFP) to provide an effective territorial security, ultimately prompting Ramos to pursue the Visiting Forces Agreement (VFA).

The discovery of China’s Mischief Reef occupation in 1995 heightened the Philippines’ perception of the Chinese threat. The Chinese encroachment was regarded by the Philippines as the chief “concern of the powers interested in the stability of the South China Sea and its strategic sea lanes.”⁴¹ China, on the other hand, took steps to mollify the growing tension when, in 1996, it ratified the United Nations Convention of the Law of the Sea (UNCLOS). Backed by then President Jiang Zemin’s words, China declared that it would abide by the UNCLOS and assured the Philippines of its peaceful intentions in the South China Sea.⁴² Despite China’s assurances for peace and stability in the region, its continued presence on Mischief Reef did not pacify the growing apprehension of the Philippines. China further aggravated the situation when, in April 1997, it dispatched two armed frigates to the Spratly areas claimed by the Philippines and Vietnam. Lacking the military power to respond in kind, the Philippines could only raise diplomatic protests by urging China’s adherence to the 1992 Manila Declaration on the South China Sea and UNCLOS.⁴³ China, however, continued to ignore the Philippine calls for observance of the agreed maritime treaties.

Meanwhile in 1995, the Ramos administration launched a military upgrade program designed to modernize the AFP. Deciding to create a smaller but more modern military force, the Ramos administration embarked on downsizing the AFP within three years and reinvesting the savings on the 15-year modernization plan that would emphasize upgrading of maritime vessels, acquisition of a national radar surveillance

⁴⁰ Ibid., 123.

⁴¹ David G. Timberman, *The Philippines : New Directions in Domestic Policy and Foreign Relations* (New York and Singapore: Institute of Southeast Asian Studies, 1998), 147.

⁴² Gina Rivas Pattugalan, “A Review of Philippine Foreign Policy Under the Ramos Administration,” *Kasarinlan: Philippine Journal of Third World Studies* 14, no. 3 (1999), 140, <http://www.journals.upd.edu.ph/index.php/kasarinlan/article/view/1623/1551>.

⁴³ Ibid., 140.

system, and formation of at least one F-16 fighter-interceptor squadron.⁴⁴ According to Sheldon W. Simon of the National Bureau of Asian Research, the program, estimated to cost a total of US\$12 billion, was designed to address the country's "inability to control the archipelago's vast air and sea spaces"—the Philippines having more coastline than the continental United States.⁴⁵ Faced with a declining economy that was severely impacted by the Asian financial crisis, the Ramos government suspended the modernization efforts. Upon resumption in two years, the cost projection for the military upgrade increased to an additional US\$2 billion.⁴⁶ Because the government could not afford this cost, the modernization program resulted in only a modest improvement to the AFP's capabilities. Moreover, as Simon claims, the Philippines could not secure firm support from its ASEAN partners vis-a-vis China in the South China Sea dispute.⁴⁷ Hence, the rising fear of a Chinese armed confrontation, combined with the Philippines' vulnerable status as a weak power, made balancing with the United States an appealing and timely option for Ramos, who initiated a path to the VFA.

Both Ramos and his successor, Joseph Estrada, looked to the passage of the VFA to address the country's security deficit. Since 1992, there had been "no legal framework covering U.S. forces visiting the Philippines," much less the presence of bilateral military-to-military interactions.⁴⁸ In February 1998, Philippine Foreign Affairs Secretary Domingo Siazon and U.S. Ambassador Thomas C. Hubbard signed the VFA, and then ratified on May 27, 1999, by the Philippine Senate after declaring the agreement as a treaty.⁴⁹ The ratification delay was deliberately designed to end after the conclusion of the 1998 general elections, and thus carried over into the next administration of Joseph

⁴⁴ Cibulka, "Policy of the Ramos Administration," 118; Sheldon W. Simon, "Asian Armed Forces: Internal and External Tasks and Capabilities," NBR Analysis, 11 no. 1 (2000): 20, <http://www.taiwandocuments.org/nbr01.pdf>.

⁴⁵ Simon, "Asian Armed Forces," 20.

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*, 21.

⁴⁸ *Ibid.*, 20.

⁴⁹ Republic of the Philippines Supreme Court Decision, G.R. No. 212426 and 212444, accessed June 14, 2016, <http://sc.judiciary.gov.ph/jurisprudence/2016/january2016/212426.pdf#pdfjs.action=download>, 13.

Estrada.⁵⁰ Estrada focused mainly on the domestic insurgencies in southern Philippines and was unable to engender his own foreign policies, mostly upholding the foreign policy thrusts of the Ramos administration. He placed more importance on the domestic security threat, thus did not perceive a pressing foreign threat that required the Philippines to tighten its alignment with the United States. His populist presidency faced serious corruption charges and was abruptly ended by the People Power II revolution.

C. GLORIA ARROYO'S FOREIGN POLICY (2001–2010): EQUI-BALANCING BETWEEN CHINA AND THE UNITED STATES

Like Estrada, Arroyo believed the country faced large domestic threats but only small foreign threats. In particular, her administration viewed Muslim insurgents as the country's most pressing security challenge, and did not view China's behavior as threatening. As a result, she adopted a diplomatic strategy of "equi-balancing" between the United States and China, and this strategy became the primary characteristic of her administration's foreign policy.⁵¹ On the one hand, the Arroyo administration relied on the United States to address the Philippines' major domestic security concerns, namely, the communist rebels and the Muslim insurgents. On the other hand, China's economic emergence presented Arroyo the opportunity to expand Philippine-China relations, indicating that Manila did not perceive China as a threat to Philippine security, notwithstanding the ongoing territorial dispute in the South China Sea.⁵²

After the United States declared its global war on terror in the wake of the 9/11 attacks, Arroyo took the opportunity to seek U.S. assistance for her government's domestic security efforts by declaring her full support for Washington.⁵³ Arroyo allowed American military access to her country's air space and the conduct of training operations between the AFP and U.S. Special Forces in southern Philippines under the auspices of

⁵⁰ Cibulka, "Policy of the Ramos Administration," 126.

⁵¹ De Castro, "Balancing Policy," 8.

⁵² Ibid.

⁵³ Gloria Macapagal-Arroyo, "Speech of President Arroyo on the Philippine Foreign Policy," Official Gazette of the Republic of the Philippines, August 6, 2004, <http://www.gov.ph/2004/08/06/speech-of-president-arroyo-on-the-philippine-foreign-policy/>.

the Joint Special Operations Task Force—Philippines (JSOTF-P). During President George W. Bush’s state visit to the Philippines in 2003, Arroyo re-affirmed the continued commitment of the Philippines to support the United States in its global anti-terror campaign, particularly in the Asia-Pacific region. In turn, Bush expressed gratitude and full confidence in the Philippines for its firm commitment to the alliance, particularly for “working with key ASEAN partners to address the terrorist threat on a regional basis.”⁵⁴ Bush further reassured Arroyo of the United States’ commitment to assist the Philippines in its military reform by implementing the recommended measures from the 2003 Joint Defense Assessment—a program designed to help the Philippines develop a defense plan and improve the military’s capabilities against security threats.⁵⁵ These developments gave the impetus for a deeper revival of the U.S.-Philippine alliance, punctuated in 2003 by the Bush administration declaring the Philippines as a major non-NATO ally.⁵⁶ The mutual commitment from both leaders underscored the importance of the alliance in pursuing common security interests. The bilateral alliance, however, was strained in 2004 when Arroyo ordered the withdrawal of Filipino military contingent in Iraq under the threat of Islamic militants to behead a kidnapped Filipino worker, eliciting harsh criticism from Washington.⁵⁷ The resulting rift, however, did very little to undermine the bilateral alliance. Recognizing the strategic importance of the Philippines to the anti-terror campaign, the United States continued its military assistance program to the AFP.⁵⁸

⁵⁴ The White House, “Joint Statement between the United States of America and the Republic of the Philippines,” Department of State. The Office of Electronic Information, Bureau of Public Affairs, <https://2001-2009.state.gov/p/eap/rls/ot/25447.htm>.

⁵⁵ Charles Comer, “Philippine Defense Reform: Are We There Yet?” Fort Leavenworth Foreign Military Studies Office, October 18, 2003, 8, http://fmso.leavenworth.army.mil/documents/Philippine_Defense_Reform.pdf.

⁵⁶ Jim Garamone, “Philippines to Become Major non-NATO Ally, Bush Says,” DOD News, May 19, 2003, <http://archive.defense.gov/news/newsarticle>.

⁵⁷ Noel M. Morada, “The Philippines: Security Context and Challenges,” presented at the Third Europe-Southeast Asia Forum, Berlin, Germany, December 2004), 5, https://www.swpberlin.org/fileadmin/contents/products/projekt_papiere/Morada_Philippines_ks.pdf.

⁵⁸ Temario C. Rivera, “The Philippines in 2004: New Mandate, Daunting Problems, Asian Survey 45 no. 1 (2005): 127–133, doi: 10.1525/as.2005.45.1.127; Gordon Arthur, “Philippines Inaugurates National Coast Watch Center,” Shephard Media Maritime Security, May 4, 2015, <https://www.shephardmedia.com/news/imps-news/philippines-inaugurates-national-coast-watch-centr/>.

Meanwhile, the reality of China as an emergent economic powerhouse presented Arroyo the opportunity to improve Manila's economic ties with Beijing. In April 2005, Arroyo welcomed the Chinese President Hu Jintao to Manila, marking the 30th anniversary of the establishment of the Sino-Filipino diplomatic relations, to which Arroyo remarked that "the bilateral relations have now entered a golden era."⁵⁹ During the visit, Hu expressed Beijing's willingness to begin a strategic cooperation with Manila, one based on peace and development for a better future of the Sino-Filipino relations. Hu proposed several ways to realize this partnership, to include increasing the bilateral trade volume, continuing cooperation in developing resources in the South China Sea, enhancing collaboration in combatting terrorism and transnational crimes, and improving the execution of the ASEAN-China Free Trade Agreement (ACFTA).⁶⁰ In response, Arroyo affirmed Hu's declarations, reiterated the Philippines' recognition of the One China Policy, and assured China that the Philippines will make mutual efforts to realize the envisioned strategic partnership.⁶¹

Arroyo's tenacity in deepening economic ties with China, however, was matched by the severity of the corruption allegations brought against her, consequently stunting the potential of the improving bilateral relationship. On March 14, 2005, the Philippines, China, and Vietnam signed the *Tripartite Agreement for Joint Marine Seismic Undertaking (JMSU) in the Agreement Area in the South China Sea*.⁶² The project had the potential for discovering untapped energy resources in the disputed waters of the South China Sea. However, it met an untimely derailment after Arroyo began facing a barrage of corruption allegations connected to her other questionable deals with China, prompting the legislation of the Archipelagic Baseline Act of 2010, which "delineated Philippine sovereign interests and restricted the government from entering into future

⁵⁹ "Chinese President Calls for further Expanding and Deepening Cooperation with Philippines," *Xinhua News Agency - CEIS*, April 27, 2005. <http://libproxy.nps.edu/login?url=http://search.proquest.com/docview/452777886?accountid=12702>.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Aileen Baviera, "The Influence of Domestic Politics on Philippine Foreign Policy: The Case of Philippine-China Relations Since 2004," *RSIS Working Paper* no. 241 (2012): 11–12.

JMSU-like agreements without due process and transparency.”⁶³ On another occasion, Arroyo entered into an agreement with the private Chinese telecommunications giant Zhong Xing Telecommunications Equipment Corporation (ZTE) to build a National Broadband Network (NBN). The US\$325 million investment was meant to improve the broadband connectivity between the national and municipal government offices. However, due to allegations of corruption and criticism by the political opposition over the deal, Arroyo decided to cancel the agreement.⁶⁴ Thus, her presidency would be characterized as one plagued by corruption and misconduct, upon which her successor would vow to pursue due justice.⁶⁵

D. BENIGNO AQUINO III’S FOREIGN POLICY (2010–2016): BALANCING WITH THE UNITED STATES AND AGAINST CHINA

Although President Benigno Aquino III did not immediately seek to balance with the United States against China, his presidency quickly became defined by his efforts to do so. His balancing strategy distinctly drew a contrast to his predecessor, Arroyo, who did not regard China as a threat during her tenure. Aquino III’s balancing strategy against China was driven primarily by his perception of an imminent threat in the form of Chinese increasing assertiveness in the disputed areas of the South China Sea, including occupation of some areas within the Philippines’ Exclusive Economic Zone (EEZ). Lacking adequate resources to develop a credible territorial defense, however, Aquino III pursued a closer alignment with Washington.

Aquino III’s heightened perception of the Chinese threat began in April 2012 when a standoff occurred between Chinese and Philippine vessels at Scarborough Shoal in the South China Sea. The shoal, located to the west of the Philippine island of Luzon, is disputed by both Beijing and Manila. While attempting to arrest Chinese fishermen

⁶³ Ernest Z. Bower, “The JMSU: A Tale of Bilateralism and Secrecy in the South China Sea,” *Center for Strategic and International Studies* 1, no.23 (July 27, 2010): 4, <https://www.csis.org/analysis/jmsu-tale-bilateralism-and-secrecy-south-china-sea>.

⁶⁴ Baviera, “Influence of Domestic Politics,” 18–21.

⁶⁵ Edilberto de Jesus, “The Philippines in 2010: Reclaiming Hope,” *Southeast Asian Affairs* 2011, eds. Daljit Singh (Singapore: Institute of Southeast Asian Studies, 2011): 223.

who were allegedly involved in poaching and illegal fishing, the Philippine Navy ship BRP *Gregorio Del Pilar* was interrupted by two Chinese maritime surveillance ships. The tense confrontation quickly escalated into China's deployment of its "most advanced and largest patrol vessel equipped with machine guns, light cannons, and electronic sensors,"⁶⁶ leading to more friction and increased tensions between China and the Philippines.⁶⁷ Moreover, the Scarborough Shoal spat had been blamed for Beijing's exertion of economic pressure on Manila by refusing to import Philippine bananas into China.⁶⁸

In March 2014, the Chinese Coast Guard prevented Philippine vessels from delivering supplies to a few Philippine marines stationed aboard the *Sierra Madre*, a rusting Philippine ship beached on the Second Thomas Shoal since 1999. The shoal, which is located within the Philippine EEZ, is also claimed by both China and the Philippines. China claimed that the blockade was due to their suspicion that the Philippine vessels were carrying building materials meant to carry out construction work on the shoal in breach of the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC).⁶⁹ Lacking the military capability to respond in kind, the Philippines could only respond diplomatically by stating that the shoal is part of its continental shelf and is therefore it is "entitled to exercise sovereignty rights and jurisdiction in the area without the permission of other states."⁷⁰

In the meantime, the AFP's several attempts at modernization under Aquino III did not produce adequate results to improve the military's territorial security posture.

⁶⁶ Renato De Castro, "The 21st Century Philippine-U.S. Enhanced Defense Cooperation Agreement (EDCA): The Philippines' Policy in Facilitating the Obama Administration's Strategic Pivot to Asia," *The Korean Journal of Defense Analysis* 25, no. 4 (2014): 436.

⁶⁷ Emmers, "ASEAN's Search for Neutrality," 66.

⁶⁸ "The China-Philippine Banana War," *The Asia Sentinel*, June 18, 2012, <http://yaleglobal.yale.edu/content/china-philippine-banana-war>.

⁶⁹ Banyan, "The Pressure on the Sierra Madre," *The Economist* (blog), March 22, 2014, <http://www.economist.com/news/asia/21599402-beached-ship-risks-becoming-south-china-seas-latest-flashpoint-pressure-sierra>.

⁷⁰ BBC News, "Philippines Lodges Protest over China Ship Blockade," March 11, 2014, <http://www.bbc.co.uk/news/world-asia-26524388>.

This could be ascribed to the decades-long domestic security challenges that demanded considerable budgetary resources from the Philippine government. Consequently, Aquino III sought to address his country's security deficit by revitalizing its security alliance with Washington, which had launched a "pivot to Asia" strategy under President Barack Obama. Some experts believe that the U.S. rebalance emboldened the Philippines to take a harder stance vis-à-vis China on the South China Sea.⁷¹

In April 2014, U.S. Ambassador to the Philippines Philip Goldberg and Philippine Defense Secretary Voltaire Gazmin signed the EDCA, with President Obama witnessing the event.⁷² The defense cooperation agreement stipulated increased interaction between U.S. and Philippine military forces, to include training and modernization for the AFP. Most significantly, the EDCA restored American forces access to strategic Philippine military facilities, effectively boosting the host country's territorial security posture.⁷³ Thus, the EDCA stands to embody Aquino III's decision to successfully develop a closer alignment with the United States in order to balance against China.

E. CONCLUSION

This chapter examined the foreign policy strategies of the governments of Corazon Aquino, Fidel Ramos, Gloria Arroyo, and Benigno Aquino III, highlighting the main thrusts of their foreign policy and the shifts between the presidencies. The Philippines under Corazon Aquino did not perceive a threat that warranted an adoption of an external balancing policy. Instead, her pro-U.S. administration faced a country calling to end the American presence. The rising public demand for the removal of the bases, along with the lack of support to advance her pro-U.S. agenda from the Philippine Senate,⁷⁴ compelled Aquino to abandon her efforts and allow the MBA to expire. The

⁷¹ Ralf Emmers, "ASEAN's Search for Neutrality in the South China Sea," *Asian Journal of Peacebuilding* 2, no. 1 (2014): 69.

⁷² Jonathan Gad, "America's Dark History in Philippines Casts Shadow Over Defense Pact," *Vice News*, May 6, 2015, <https://news.vice.com/article/americas-dark-history-in-philippines-casts-shadow-over-defense-pact>.

⁷³ *Ibid.*

⁷⁴ Elpidio R. Sta Romana, "The Evolution of Philippines Foreign Policy and the Perceptions of Filipino Foreign Policy-makers during the Aquino Regime," *Asian Studies Review* 19, no. 1 (1995): 64.

absence of perceived foreign threat to Philippine security induced Aquino to turn her attention to the domestic insurgency, further diluting the significance of the American-provided security. Furthermore, the departure of the American bases marked a symbolic end to what some in the Philippines viewed as the “residual legacy of colonialism.”⁷⁵ The end of the basing treaty, however, did not prove fatal to the security relations between the United States and the Philippines.

Ramos led the first Philippine administration without the presence of the American forces since 1947. The departure of the American bases heralded a decline of U.S. forces in the region, creating a sense of anxiety for states that have largely relied on the benefits of an American-provided security umbrella. There was also a perceived fear that the diminishing U.S. security presence in the region would embolden other influential states towards regional hegemonism. Certainly, the Chinese occupation of the Mischief Reef began to turn this fear into reality for the Philippines. Conversely, the decline of American presence in the region prompted some of the states towards self-reliance and increased regional cooperation. The Ramos administration certainly had these as policy options. Ramos seriously considered internally balancing, albeit with limited resources. The modest results from this strategy eventually pushed Ramos to consider external balancing with the United States, resulting in the signing of the VFA. The mixed efforts of internal and external balancing under Ramos clearly suggest that Manila’s decisions about whether to balance and how to balance have varied over time.

Arroyo’s effort to pursue an “equi-balancing” policy suggested that she did not perceive a foreign threat. While Washington’s war on terror strengthened the U.S.-Philippine security alliance, Beijing’s promise of significant economic assistance—part of China’s Charm Offensive—sought to detach the Philippines away from the U.S. orbit and pull it towards China’s sphere of influence. These developments signaled a new regional arrangement to which Arroyo willingly assented. One rational explanation for Arroyo’s accommodation of China could be to express her disappointment with the

⁷⁵ Eleanor Albert, “The Now and Future US-Philippines Military Alliance,” June 29, 2016, *Defense One*, <http://www.defenseone.com/ideas/2016/06/us-philippine-military-alliance/129504/>.

United States for its strong reprimand over her decision to pull out Filipino troops from Iraq. Some analysts and experts, however, suggested that Arroyo's close interactions with China were motivated by economic reasons, although her decision-making process was driven by a deeper, systemic issue, namely, the practice of patronage politics in the country.⁷⁶ Furthermore, despite China's economic allure, the Philippines never completely abandoned its security ties with the United States. Indeed, despite the Arroyo's imprudent political decisions, Washington stood by its security commitment to Manila. Manila kept a safe distance from Beijing in the midst of the enduring territorial dispute in the South China Sea. Ernest Bower comments that the archipelagic state "had been a hard nut for China to crack."⁷⁷ The Philippines has always been critically wary about Chinese intentions in the Philippine-claimed territorial waters in South China Sea.⁷⁸

The inimical actions of Aquino III towards China highlighted the tremendously distinctive foreign policy approach he took compared to the more genial "equi-balancing" strategy of Arroyo. Aquino III's policy of hard balancing against China was heavily influenced by China's aggressive expansion in the Philippine waters in the South China Sea, reflecting Walt's assertions that an increase in offensive power and aggressive intentions of a state—in this case, China—induces weak states to balance against that state.⁷⁹ To Aquino III, China's aggressive actions had two implications. First, the skirmishes between Chinese and Filipino maritime vessels signaled a drastic change in China's intentions in the region, provoking Aquino III to balance against China.⁸⁰ Second, the Chinese actions, which involved military activities,⁸¹ also indicated an increase in China's offensive power that was being used to threaten a weaker state and

⁷⁶ Baviera, "Influence of Domestic Politics," 30.

⁷⁷ Bower, "JMSU," 2–3.

⁷⁸ Ibid.

⁷⁹ Walt, *Origins of Alliance*, 24–25.

⁸⁰ Ibid., 25.

⁸¹ Permanent Court of Arbitration Press Release, "The South China Sea Arbitration (The Republic of the Philippines v. The People's Republic of China)," The Hague, July 12, 2016, 2.

created a strong incentive for the Philippines to balance.⁸² Despite Aquino III's cordial approach to China in the beginning of his term, China remained indignant and continued its belligerent actions against the Philippines. Such predicament induced Aquino III to modernize the AFP in the event that it needed to respond to an escalation of the dispute to an armed attack. Lacking the resources, however, to internally balance and develop territorial defense capabilities due to the enormous toll that the protracted domestic fighting had taken on the government armed forces, the Philippines sought to leverage its historic security alliance with the United States, which coincidentally shifted its strategic focus towards the greater Asia-Pacific region. As the United States affirmed its security commitment to the Philippines, the two countries agreed to sign the enhanced defense agreement. Thus, the threatening actions of China and the availability of U.S. alliance persuaded Aquino III to choose balancing against over bandwagoning with China

⁸² Walt, *Origins of Alliance*, 24.

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III. CONDITIONS LEADING TO EXTERNAL BALANCING

When Aquino III assumed the presidency in 2010, he inherited a country mired in decades of domestic conflict between the government forces and the two foremost insurgent groups, namely, the Communist Party of the Philippines (CPP) and its armed wing, the New People's Army (NPA), and the Moro Islamic Liberation Front (MILF). Persistent hostilities committed by these armed factions compelled the successive governments since the 1970s to focus on domestic security, thereby neglecting the development of capabilities of the military to defend the country against foreign threats. Despite several attempts at peace negotiations over the years and the resolute efforts by the Ramos administration to modernize the military in 1995, the Armed Forces of the Philippines (AFP) remained ill equipped and unprepared to address foreign threats.

In 2012, Aquino III launched an AFP modernization program that proved more comprehensive and substantial than all his predecessors' efforts combined. Despite the wide-ranging scope of the program, however, the Philippine forces remained inadequate to defend its vast maritime territories against the large and growing external threat from China. Government decisions on defense investments also reflected prevailing concerns over the enduring domestic threats, which meant that resources were realigned to continue to address those issues, further eroding AFP's defensive capabilities against foreign threats.⁸³ Thus, the main reasons for Aquino III's external balancing with the United States appear to have been the assessment of China as a threat against which Manila was compelled to balance and the sense that such balancing had to be undertaken more quickly than internal balancing alone could achieve.

Chapter II demonstrated that China's aggressive actions and the availability of the U.S. security alliance persuaded Aquino III to balance against China, thus answering the first part of the research question: whether to balance. This chapter addresses the second part of the research question: how to balance—either internally, which means developing

⁸³ Gil C. Cabacungan, "Military Leaders 'Axed Missile Deal for Helmets,'" *Inquirer.Net*, July 7, 2015, <http://newsinfo.inquirer.net/703418/military-leaders-axed-missile-deal-for-helmets>.

a state's own capabilities, or externally, which means relying on others to provide the capabilities that a state lacks. This chapter will describe the conditions that led Aquino III to choose an external balancing policy in the form of the 2014 Enhanced Defense Cooperation Agreement (EDCA). The first section will discuss the domestic factors that focused the AFP's efforts on domestic security issues, significantly degrading the AFP's effectiveness to defend the country against foreign threats. These factors were characterized mainly by the decades-long insurgencies waged by both the communists and Muslim fundamentalists, prolonged by the inability of the government to strike a lasting peace deal with the rebel groups. The next section will describe the Aquino III administration's initiative to modernize and reform the military, and how the severe financial limitations that Aquino III confronted greatly hampered the modernization program. The following section will focus on the how the U.S. strategy of rebalancing its forces and strategic objectives to Asia encouraged Aquino III to seek closer ties with the United States in balancing against China. Lastly, this chapter will describe the U.S.-Philippine bilateral efforts that facilitated the signing of the EDCA in 2014 and the politically-charged events surrounding its constitutionality, fueled by the intense domestic opposition to the agreement, ultimately leading to the Philippine Supreme Court's affirmation of the EDCA in 2016.

A. DOMESTIC FACTORS

Since the inception of the communist movement in the 1960s and the resurgence of the Muslim struggle for self-rule in the 1970s, successive Philippine governments had been compelled to concentrate resources on these domestic threats. Until the closure of the U.S. bases in 1992, the Philippines enjoyed the security provided by the United States against foreign threats, which allowed the Philippine government to focus on the domestic conflicts. This section will discuss in more details the different administrations' responses to the domestic conflicts that inadvertently harmed the AFP's capability to defend the country against foreign threats. Thus, the escalating tensions in the South China Sea convinced Aquino III that, despite his internal balancing efforts against China, external balancing was the only viable option.

1. The Communist Movement

Dating back to its establishment in the 1960s, the communist movement in the Philippines is the longest-running communist insurgency in Asia. Modeled after China's Maoist movement, the CPP-NPA launched an armed struggle against the dictatorial Marcos regime to establish in the Philippines a "new democratic state led by the working class," and free from American influence.⁸⁴ Touting economic and socio-political grievances, such as political oppression, government corruption, and inequitable land reform policies, the CPP-NPA would become an immediate threat during the Marcos regime.⁸⁵ Marcos, however, did not pursue peaceful negotiations with the communists; instead, he employed a combination of military and socio-political methods designed to suppress and undercut the CPP's influence, punctuated by the declaration of Martial Law in 1972.⁸⁶ Although the ouster of Marcos in 1986 dramatically changed the domestic political landscape of the Philippines, many of the communist grievances remained unfulfilled. Thus, the communist problem persisted through the presidencies after Marcos—only this time, the government was willing to negotiate for a peace deal.

However, successive administrations achieved very little success in making peace with the communists. The administration of Corazon Aquino (1986–1992) began peace talks with the CPP, but these talks proved unsuccessful. Under Fidel V. Ramos (1992–1998), the negotiations between the government and the CPP resulted in the signing of two agreements: the Joint Agreement on Safety and Immunity Guarantees (JASIG), which ensured the safety of the members of the negotiation panels; and the Comprehensive Agreement to Respect Human Rights and International Humanitarian

⁸⁴ Stanford University, "Mapping Militant Organizations: Communist Party of the Philippines," accessed December 7, 2016, <http://web.stanford.edu/group/mappingmilitants/cgi-bin/groups/view/149#basic-info>.

⁸⁵ Noel M. Morada and Christopher Collier, "The Philippines: State Versus Security?" *Asian Security Practice: Material and Ideational Influences*, ed. Muthiah Alagappa (Stanford: Stanford University Press, 1998), 553–555.

⁸⁶ *Ibid.*

Law (CARHRIHL).⁸⁷ During Joseph Estrada’s administration (1998–2001), negotiations were disrupted by intermittent periods of conflict. After the communist rebels protested the ratification of the VFA in 1998, Estrada declared an “all-out war” against them, further exacerbating the conflict.⁸⁸ During the tenure of Gloria Arroyo (2001–2010), negotiations between the government and the CPP-NPA resumed; however, the progress of the peace talks was derailed when the United States officially added the group to its list of foreign terrorist organizations.⁸⁹ The branding drew strongly negative reactions from the communists who intensified insurgent activities against the government forces.

The Aquino III administration (2010–2016) made some progress in its efforts to weaken the communists and reach a peace agreement. In 2010, the Aquino III administration implemented the AFP Internal Peace and Security Plan (IPSP)—*Oplan Bayanihan* (Operation Plan Community Spirit)—designed to reduce the capabilities of domestic armed threats to a “level that they can no longer threaten the stability of the state and civil authorities can ensure the safety and well-being of the Filipino people.”⁹⁰ The IPSP aimed to render the communists’ military wing irrelevant, encouraging them to put down their weapons and negotiate peace with the government.⁹¹ This led to a decline in NPA violence and an increase in number of rebels returning to the government between 2011 and 2012. In 2014, the Joint Agreement on the Resumption of the Formal Talks on the Peace Negotiations between the government and the communists—dubbed

⁸⁷ Katerina Francisco, “FAST FACTS: The CPP-NPA-NDF and the Oslo talks,” Rappler, August 22, 2016, <http://www.rappler.com/newsbreak/iq/143551-cpp-npa-ndf-peace-talks>; Office of the Presidential Adviser on the Peace Process, accessed January 10, 2017, <https://peace.gov.ph/timeline/peace-process-cpp-npa-ndf/>.

⁸⁸ International Crisis Group, “The Communist Insurgency in the Philippines: Tactics and Talks,” *Asia Report* no. 202, February 14, 2011, <https://d2071andvip0wj.cloudfront.net/202-the-communist-insurgency-in-the-philippines-tactics-and-talks.pdf>, 8.

⁸⁹ The U.S. State Department officially added the CPP-NPA to the list of Foreign Terrorist Organizations on September 9, 2002, <http://www.state.gov/j/ct/rls/other/des/123085.htm>.

⁹⁰ AFP General Headquarters, Armed Forces of the Philippines, *Armed Forces of the Philippines Internal Security and Peace Plan*, (Quezon City: Camp General Aguinaldo, 2010), v.

⁹¹ Rommel C. Banlaoi, *Al-Harakatul Al-Islamiyyah: Essays on the Abu Sayyaf Group*, 3rd Edition, (Quezon City: Philippine Institute for Peace, Violence, and Terrorism Research, 2012), v–vi.

an “interim peace agreement”—was reached.⁹² However, the initial positive trend did not evolve into a lasting peace as hostilities between the AFP and the CPP-NPA continued.⁹³ The prospect for peace with the communists remained tenuous.

2. The Muslim Insurgency

As the communist insurgency smoldered in northern and central Philippines, the Islamic rebellion continued to pose significant threat on the southern front. The insurgency in Mindanao had been predicated on the Muslim population’s desire for autonomy from the central government. The Mindanao insurgency traces its genesis to the Spanish colonial era when the Spaniards attempted to colonize southern Philippines in the late 1500s. When the Americans came in 1898, a general policy of “benevolent assimilation”—after a brutal “pacification” had been completed—was extended to the Muslim population, which culminated in the annexation of Muslim Mindanao to the Philippine Commonwealth in 1935, despite calls for exclusion by the Moro leaders.⁹⁴

In the 1960s and 1970s, heightened tensions between the Muslim and the Christian communities in Mindanao led Nur Misuari to create the Moro National Liberation Front (MNLF).⁹⁵ Aside from its struggle for an autonomous Mindanao, the MNLF fought against the Martial Law oppression under Marcos. In 1976, the Philippine government and the MNLF signed the Tripoli Agreement, which stipulated that autonomy would eventually be granted to 25 provinces in Mindanao.⁹⁶ This provision was left unfulfilled by the dictator government and this failure provoked continued

⁹² Delfin T. Mallari, “Joma Says 2014 Interim Peace Agreement Only a Draft, Not Formal Pact,” *Inquirer.net*, May 24, 2016, <http://newsinfo.inquirer.net/787219/joma-says-2014-interim-peace-agreement-only-a-draft-not-formal-pact>.

⁹³ Indigenous, “Military: NPA Violence Drops by 21%,” *Terrorism Watch* (blog), March 4, 2013, <https://factsindia.wordpress.com/2013/03/04/military-mpa-violence-drops-by-21/>.

⁹⁴ Ronald J. May, “History, Demography and Factionalism: Obstacles to Conflict Resolution through Autonomy in the Southern Philippines,” in *Autonomy and Armed Separatism in South and Southeast Asia*, ed. Michelle Ann Miller (Singapore: Institute for Southeast Asia Studies, 2012), 279.

⁹⁵ *Ibid.*, 280.

⁹⁶ Steven Rood, “Interlocking Autonomy: Manila and Muslim Mindanao,” in *Autonomy and Armed Separatism in South and Southeast Asia*, ed. Michelle Ann Miller (Singapore: Institute for Southeast Asia Studies, 2012), 257.

violence. Following the 1986 People Power Revolution that toppled the Marcos regime, the enshrinement of the 1987 Constitution under the Corazon Aquino administration provisioned for the establishment of the Autonomous Region of Muslim Mindanao (ARMM).⁹⁷ Unsatisfied with the terms of the autonomy, however, the Moro Islamic Liberation Front (MILF)—an MNLF splinter group led by Hashim Salamat—waged its own armed movement for a separate Islamic state in the south. Further factionalization of the Moro movement occurred when Abu Sayyaf Group (ASG), another MNLF splinter group, emerged.

In 1997, the Ramos government and the MILF signed the Agreement for General Cessation of Hostilities. Unresolved issues, however, lingered after Ramos' term ended, while the growing ASG menace further complicated the peace process. Although the ASG supported the general demand for a self-ruling *Bangsamoro*,⁹⁸ the group aimed at attaining its own political objectives through bombings, assassinations, extortions, and kidnapping for ransom activities. Prior to 9/11, the Arroyo government did not regard the ASG as a serious threat, dismissing the group “as a mere bunch of bandits...a money-crazed gang of criminals without any ideology.”⁹⁹ After 9/11, the United States government labeled the ASG as an Islamic terrorist group mainly due to its linkages with Jemaah Islamiyah and Al Qaeda.¹⁰⁰

Along with suppressing the communist insurgency, the IPSP also was intended to facilitate the conditions to defeat the ASG and achieve a long-term peace in Mindanao.¹⁰¹ However, a final peace resolution remained elusive as some areas remained under insurgent control after the first three years of the IPSP implementation timeline, and the

⁹⁷ ARMM History, accessed 4 June 2016, <http://www.armm.gov.ph/history/>.

⁹⁸ *Bangsamoro* is a local term to literally mean Moro Nation; the Muslim people of Mindanao.

⁹⁹ Banlaoi, *Abu Sayyaf Group*, 9.

¹⁰⁰ *Ibid.*

¹⁰¹ *Ibid.*, v–vi.

AFP transitioned to improving its capabilities to thwart foreign threats.¹⁰² In early 2016, the most encouraging prospect for peace in Mindanao came crashing down when the Philippine Congress failed to pass the Bangsamoro Basic Law (BBL)—a framework peace agreement between the government and the MILF.¹⁰³ The resulting impasse reopened the possibility of violence and hostilities breaking out once again, placing the burden of quelling the insurgency on the new administration of Duterte.

3. AFP Modernization Program under Aquino III

Throughout the Aquino III administration, domestic strife remained the country's major security challenge. The closure of the U.S. bases exposed Philippines' abiding neglect of developing its defense capabilities against foreign threats. This negligence was largely due to the government's efforts to funnel resources primarily toward the AFP's domestic security mission. The protracted domestic insurgencies continued to drain government resources and kept the focus of the AFP on counterinsurgency, which slowed the pace of military modernization.

Two major factors affected government investments in the AFP. First, the 1986 People Power Revolution that toppled the Marcos regime resulted in political and economic turbulence that disrupted the government investments in the military. Second, the removal of American presence in the early 1990s meant that funding for the AFP took a significant hit, seriously slashing American military assistance towards modernization.¹⁰⁴ Yet, despite the rise of a foreign threat, namely, the seizure of Mischief Reef by China in 1995, Philippine governments since Ramos have failed to reverse the alarming trend of poorly investing in the military.¹⁰⁵ Meanwhile, under Aquino III the

¹⁰² Alexis Romero, "AFP: Internal Security Problems Still Beset Philippines," *Philippine Star*, December 26, 2014, <http://www.philstar.com/headlines/2014/12/26/1406643/afp-internal-security-problems-still-beset-phl>.

¹⁰³ Jose Rodel Capano, "Congress Buries BBL Bill," *Philstar Global*, February 4, 2016, <http://www.philstar.com/headlines/2016/02/04/1549507/congress-buries-bangsamoro-bill>.

¹⁰⁴ Shangsü-Wu, "Aquino's Military Modernization: Unprecedented But Insufficient," *The Diplomat*, March 23, 2016, <http://thediplomat.com/2016/03/aquinos-military-modernization-unprecedented-but-insufficient/>.

¹⁰⁵ *Ibid.*

perception of external threat heightened as China continued to expand its presence in vast areas within the Philippine Exclusive Economic Zone (EEZ). The escalating maritime threat became the impetus for Aquino III to mount his own version of military modernization program.

In 2011, the administration released the *2011–2016 National Security Policy*, which mandated the protection of Philippine sovereignty and maritime interests by developing defense capability “anchored on the establishment and enhancement of surveillance, deterrence and border patrol capabilities of the Philippine Air Force, Philippine Navy and Philippine Coast Guard.”¹⁰⁶ Moreover, the IPSP also identified the need for substantive improvement to the armed forces, allowing the AFP to develop the capabilities required for unilateral defensive operations against foreign security threats.¹⁰⁷ Clearly, Aquino III’s executive and defense establishments were in mutual agreement to advance the administration’s military modernization agenda in order to establish a credible defense against China.

The AFP modernization program launched by Ramos in 1995 under the Republic Act 7898 left many of its measures unfulfilled due to fiscal limitations, while some were still in implementation phase when Aquino III signed the Revised AFP Modernization Program under the Republic Act 10349 in 2012, replacing the 1995 law.¹⁰⁸ Aquino III’s modernization program encompassed improvement to military healthcare services, acquisition of new aircraft and combat helicopters for the Philippine Air Force, and armored trucks and assault rifles for the Philippine Army. More significantly, the

¹⁰⁶ National Security Council, *National Security Policy 2011–2016* (Quezon City: National Security Council, April 2011), 29.

¹⁰⁷ AFP General Headquarters, Armed Forces of the Philippines, *Armed Forces of the Philippines Internal Security and Peace Plan* (Quezon City: Camp General Aguinaldo, 2010), 13.

¹⁰⁸ MaxDefense Philippines, “A Comprehensive Review of Accomplishments and Balances of the AFP Modernization Program Under RA 7898 and RA 110349 Horizon 1 Phases as of June 2016,” *MaxDefense* (blog), June 29, 2016, <http://maxdefense.blogspot.com/2016/06/a-comprehensive-review-of.html>.

Philippine Navy acquired two U.S. Coast Guard Hamilton ships and several sealift vessels, naval helicopters, and amphibious vehicles.¹⁰⁹

Like his predecessors, however, Aquino III was constrained by limited financial resources. Despite the unprecedented scale of his modernization efforts, those projects simply sustained current AFP functions and inadequately met emerging security demands.¹¹⁰ For instance, by the end of 2014, the Philippine Navy did not possess blue-water missile-armed ships and had not yet acquired critical pieces of the naval arsenal that could counter China in the South China Sea.¹¹¹ Moreover, in 2014, the Department of National Defense (DND) shelved a negotiated shore-based missile system (SBMS) contract with Israel that would have significantly improved Philippine's territorial defense posture.¹¹² Likewise, with no firm indications of acquiring air-to-air and air-to-ground missiles, the capabilities of the Philippine Air Force remained inadequate to defend Philippine territorial claims against China's effort to expand its position in the South China Sea.¹¹³ The limited gains of Aquino III's modernization projects were a proof that Manila urgently needed the assistance of an ally, the United States, if it wanted to balance effectively against China.

B. AVAILABILITY OF AN ALLIANCE: THE U.S. REBALANCE TO ASIA

Recalling Walt's balance of threat theory, states facing a threat either seek to balance with others against the threat or seek to bandwagon with the threatening power.¹¹⁴ Thus, the availability of an alliance encourages small states to balance against

¹⁰⁹ Francis Mangosing, "36 AFP Modernization Projects Completed Under Aquino, Says Gazmin," *Inquirer.net*, January 14, 2014, <http://newsinfo.inquirer.net/563845/36-afp-modernization-projects-completed-under-aquino-says-gazmin>.

¹¹⁰ Shangsü-Wu, "Aquino's Military Modernization."

¹¹¹ *Ibid.*

¹¹² Cabacungan, "Axed Missile Deal.": SNAFU in the DND and the Philippine Army for Scrapping its Shore Based Missile Defense System Projects for Helmets and Vests, *MaxDefense* (blog), July 9, 2015, <http://maxdefense.blogspot.com.au/2015/07/snafu-in-philippine-army-with-shore.html>.

¹¹³ *MaxDefense Philippines*, "Comprehensive Review."

¹¹⁴ Walt, *Origins of Alliance*, 17.

the threat.¹¹⁵ In the case of the Philippines under Aquino III, the U.S. rebalance to Asia and the enduring MDT presented Manila the option to balance against the threatening actions of China, since Manila lacked sufficient military capabilities of its own to pursue a policy of internal balancing.

Early in his presidency, U.S. President Barack Obama stressed the strategic importance of the Asia-Pacific to the United States, and since 2011, the “pivot to Asia” strategy has become a central focus of U.S. foreign policy.¹¹⁶ Based on geographical and capabilities rebalancing, the strategy involved “adjustments to the U.S. long-standing regional strategy...and investments in hardware, systems, and technologies necessary to sustain a force structure that can defend the security and interests of the United States and its allies in the face of rapidly emerging regional military challenges.”¹¹⁷ The strategy was the primary element of a bigger narrative to reassert U.S. influence and leadership in the region and to counterbalance China’s increasing regional influence, and an opportunity that a vulnerable Philippines could not afford to forego.

Leveraging Washington’s intention to reinforce alliances in the region and perceiving the 2012 Scarborough Shoal incident as a harbinger of increasing Chinese aggression in the South China Sea, Manila appealed for U.S. assistance. Successive high-level bilateral diplomatic interactions followed. During the 2012 U.S.- Philippines Bilateral Strategic Dialogue in Washington, Philippine Foreign Secretary Albert del Rosario admitted that his country was vulnerable against a possible China attack, and reliance on the United States was the Philippines’ best course of action to guarantee its security.¹¹⁸ On the April 2012 Joint Statement of the United States-Philippines Ministerial Dialogue, both sides reaffirmed their shared obligations under the 1951 MDT

¹¹⁵ Ibid., 30.

¹¹⁶ The White House, “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense,” accessed online on November 22, 2016, http://archive.defense.gov/news/Defense_Strategic_Guidance.pdf.

¹¹⁷ Thomas Fargo, “The Military Side of Strategic Rebalancing,” *Asia Policy* no. 14, (July 2012): 27, <https://doi.org/10.1353/asp.2012.0025>; The White House, Office of the Press Secretary, “FACTSHEET: Advancing the Rebalance to Asia and the Pacific,” November 16, 2016, <https://www.whitehouse.gov/the-press-office/2015/11/16/fact-sheet-advancing-rebalance-asia-and-pacific>.

¹¹⁸ De Castro, “21st Century Philippine-U.S. EDCA,” 439.

and stressed joint efforts at “strengthening the defense capabilities of the Philippines in order to establish a minimum credible defense posture through robust cooperative security assistance programs.”¹¹⁹ During his meeting with Obama in June 2012, Aquino III asked for a definite security guarantee from Washington under the MDT; Obama gave him the assurance that the United States would honor its treaty obligations.¹²⁰

C. THE ROAD TO EDCA

Initially, the framework agreement on Increased Rotational Presence (IRP) was struck in 2013 between Manila and Washington. The idea behind the agreement was to increase the presence of American forces “on a rotational basis in Philippine territory towards the development of a minimum credible defense posture.”¹²¹ The rotational aspect of the troop deployment was deliberately designed in the agreement to “[skirt] the controversial issue of re-establishing U.S. bases in the country.”¹²² Additionally, the terms of the IRP framework agreement underscored the Philippines’ agenda of promoting the principles of sovereignty, rejecting U.S. basing, and respecting the Philippine Constitution’s ban on nuclear weapons in the country.¹²³

After a series of talks and negotiations with U.S. officials, the Philippines announced on March 31, 2014 that a new expanded security agreement allowing rotational access of American military personnel had been reached. On April 29, 2014, the day of Obama’s arrival in Manila for a state visit, Philippine Defense Secretary Voltaire Gazmin and U.S. Ambassador Philip Goldberg signed the EDCA, which was

¹¹⁹ United States Department of State, Office of the Spokesperson, *Joint Statement of the United States-Philippines Ministerial Dialogue: The U.S.-Philippines Alliance: Charting a Course Forward*, (Washington, DC: April 2012), <https://www.state.gov/r/pa/prs/ps/2012/04/188977.htm>.

¹²⁰ Craig Whitlock, “Manila is Seeking Closer Ties to the U.S.,” *The Washington Post*, June 9, 2012.

¹²¹ Republic of the Philippines, “FAQs on the proposed Increased Rotational Presence framework agreement,” *Official Gazette*, August 16, 2013, <http://www.gov.ph/2013/08/16/faqs-on-the-proposed-increased-rotational-presence-framework-agreement/>.

¹²² De Castro, “21st Century Philippine-U.S. EDCA,” 438.

¹²³ Patricia Denise Chiu and Michaela Del Callar, “PHL, U.S. inch closer to deal on increased rotational presence of U.S. troops,” *GMA News Online*, March 10, 2014, <http://www.gmanetwork.com/news/story/351920/news/nation/phl-us-inch-closer-to-deal-on-increased-rotational-presence-of-us-troops>.

considered as the “most significant defense agreement that the United States has concluded with the Philippines in decades.”¹²⁴ The EDCA essentially raises the scope of the MDT and the VFA by promoting and enhancing several areas of security cooperation:

- Interoperability
- Capacity building towards AFP modernization
- Strengthening the AFP for territorial defense
- Maritime security
- Maritime domain awareness
- Humanitarian assistance and disaster response (HADR).¹²⁵

These objectives would be achieved by building on existing joint training exercises, such as the annual *Balikatan* (shoulder-to-shoulder) exercise, undertaking additional cooperation efforts such as construction and upgrades of Philippine military facilities and infrastructure at agreed locations, and storage and prepositioning of defense and logistics equipment and supply materials for improved HADR.¹²⁶

D. OPPOSING AND AFFIRMING EDCA’S CONSTITUTIONALITY

Immediately after the signing of the EDCA, demands for its nullification intensified as several protest groups called on the Philippine Senate to file official petitions opposing the executive agreement. Secretary General Renato Reyes Jr. of the militant group *Bagong Alyansang Makabayan* (New Patriotic Alliance) demanded that the Senate investigate the apparent deception committed by the United States against the Philippines while negotiating the agreement.¹²⁷ Reyes Jr. also appealed to the senators to

¹²⁴ Juliet Eilperin, “U.S., Philippines reach 10-year defense agreement amid rising tensions,” *The Washington Post*, April 27, 2014, https://www.washingtonpost.com/world/us-philippines-to-sign-10-year-defense-agreement-amid-rising-tensions/2014/04/27/a04436c0-cddf-11e3-a75e-463587891b57_story.html.

¹²⁵ Department of Foreign Affairs, Republic of the Philippines, “Q&A on the Enhanced Defense Cooperation Agreement,” *Official Gazette of the Republic of the Philippines*, April 28, 2014, <http://www.gov.ph/2014/04/28/qna-on-the-enhanced-defense-cooperation-agreement/>.

¹²⁶ *Ibid.*

¹²⁷ DZRH News, “Group Calls Out Senate to Oppose EDCA; Binay Defends Pact,” *DZRH News*, May 2, 2014, <http://dzhnews.com/group-calls-out-senate-oppose-edca-binay-defends-pact/>.

“join the united front of lawyers, academics, women’s groups, environmentalists, social activists, church groups and health professionals who are set to question before the Supreme Court this grossly unequal and highly toxic EDCA.”¹²⁸ A second petition filed with the Senate by a conglomerate of activist groups contained grievances of sovereignty violations. The petition asserted that by entering into EDCA, the government committed the unconscionable act of betraying Philippine sovereignty.¹²⁹ Moreover, the petition claimed that the agreement relinquished the operational control of the affected Philippine military installations to the American forces, thereby depriving the Philippines of “its right to exercise its police power over these so-called Agreed Locations.”¹³⁰ Overall, there were three separate petitions filed against the EDCA—the common argument challenged the constitutionality of the deal and Aquino III’s right to unilaterally act without Senate approval.¹³¹

The fervent opposition to the EDCA constituted diverse negative reactions towards the agreement, the kinds that conveyed nationalism but not deep anxieties over the China threat. Some expressed strong anti-U.S. sentiments by describing fear of past colonial experiences—an allusion to the notoriety of the puppet government under Marcos. Others, including high-ranking officials, acquiesced to the principles behind the EDCA, citing the dire need of the country to seek assistance in defending its claims to the disputed territories in the South China Sea.¹³² Furthermore, many government officials openly derided the EDCA’s blatant breach of national sovereignty by allowing American forces back into the country, yet admitted to the acute security vulnerability of the Philippines. One anti-EDCA Supreme Court justice remarked that, “while it is true that

¹²⁸ Ibid.

¹²⁹ Jomar Canlas, “Second Petition vs EDCA Filed at SC,” *The Manila Times*, May 27, 2014, <http://www.manilatimes.net/second-petition-vs-edca-filed-at-sc/99765/>.

¹³⁰ Ibid.

¹³¹ Gad, “America’s Dark History.”

¹³² Balitang America, “Supporters Say EDCA Will Allow U.S. Aid In Case of China Attack,” November 25, 2014, <http://www.balitangamerica.tv/supporters-say-edca-will-allow-us-aid-in-case-of-china-attack/>.

the Philippines cannot stand alone and will need friends within and beyond this region of the world, still we cannot offend our Constitution and bargain away our sovereignty.”¹³³

In defiance of the EDCA, the Philippine Senate passed a resolution in November 2015 declaring the defense agreement as a treaty, thus rendering it invalid without the Senate’s approval.¹³⁴ Senator Miriam Defensor Santiago, the staunch sponsor of the resolution, referenced Article 7, Section 21 of the Constitution stating that “no treaty or international agreement shall be valid and effective unless concurred in by at least two-thirds of all the members of the Senate” and that Senate concurrence was mandated by the nature of the treaty, “one involving foreign military bases, troops or facilities, by Article 18, Section 25 of the Constitution.”¹³⁵ On December 14, 2015, the Philippine Supreme Court received a petition filed by Rene A. V. Saguisag against the Aquino III administration, declaring that the EDCA violated the Philippine Constitution, over which “EDCA has no superior sanctity.”¹³⁶

On January 12, 2016, the Philippine Supreme Court justices, voting 10–4, upheld and declared the constitutionality of the EDCA.¹³⁷ The Supreme Court affirmed that the EDCA “is not constitutionally infirm and as an executive agreement, it remains consistent with existing laws and treaties that it purports to implement.”¹³⁸ Curiously enough, one of the factors that the Supreme Court considered in its ruling was the

¹³³ Jerome C. Aning, “SC Dissenters Say EDCA a Derogation of Philippine Sovereignty,” *Inquirer.Net*, January 20, 2016, <https://globalnation.inquirer.net/135212/sc-dissenters-say-edca-a-derogation-of-ph-sovereignty>.

¹³⁴ Leila B. Salvarreia and Tarra Quismundo, “14 Senators Draw Line on EDCA,” *Philippine Daily Inquirer*, November 11, 2015, <http://newsinfo.inquirer.net/738558/14-senators-draw-line-on-edca>.

¹³⁵ *Ibid.*

¹³⁶ Rene A. V. Saguisag, Sr. and Rene A. V. Saguisag, Jr., “Memorandum for the Petitioner-In-Intervention,” Republic of the Philippines Supreme Court, G.R. No. 212426, accessed June 14, 2016, <http://sc.judiciary.gov.ph/microsite/EDCA/petitioner-intervention.pdf>.

¹³⁷ Manuel Mogato, “Philippine Court Allows Military Deal with U.S. As Sides Meet in Washington,” *Reuters*, January 12, 2016, <http://www.reuters.com/article/us-philippines-usa-idUSKCN0UQ0JK20160112>.

¹³⁸ Republic of the Philippines Supreme Court Decision, G.R. No. 212426 and 212444, accessed June 14, 2016, <http://sc.judiciary.gov.ph/jurisprudence/2016/january2016/212426.pdf#pdfjs.action=download>.

historical antecedents of the EDCA, namely the MDT and the VFA, underlining the enduring significance of the U.S.-Philippine security alliance.¹³⁹

The public and legislative opposition to the EDCA represented the very low degree of elite and social cohesion within Philippine society, which undermined the balancing behavior of the Aquino III government. These domestic-level conditions, as articulated by Schweller, influence a state's ability to balance; when there is no consensus among the elites and the different groups within a society regarding a foreign threat, the state's ability to balance against that threat is greatly weakened.¹⁴⁰

The strong resistance to the EDCA implied that the opposition group's perception of the Chinese threat diverged from Aquino III's assessment, hence, the disagreement with his decision to pursue a policy of external balancing. To be sure, there were admissions from the opposition that the Philippines needed to defend its territorial claims in the South China Sea. However, those minority concessions were drowned out by the more zealously nationalistic protests against the EDCA's manifest breach of Philippine sovereignty by allowing American forces back in the country. Thus, the ardent challenge to the EDCA suggested that there was no congruence between the policymaking elites and social groups within the country with regards to the perception of the Chinese threat and the government's decision to externally balance against China.

E. CONCLUSION

The decades-long domestic conflict in the Philippines has unquestionably exhausted successive Philippine governments and the military since the Marcos era. Combined with unstable domestic and political conditions, the enduring threats from the communist and Muslim rebels compelled the Philippines to concentrate its resources on resolving its domestic security issues. Consequently, the Philippine government neglected to develop a minimum credible defense against foreign threats. Despite the efforts of the Aquino III administration to comprehensively reform and modernize the

¹³⁹ Ibid., 4, 8.

¹⁴⁰ Schweller, *Unanswered Threats*, 14.

AFP, the institutional and financial obstacles he faced resulted in limited gain. As the assertiveness of China in the South China Sea persisted, the Philippines—under duress after the Scarborough Shoal stand-off in 2012—sought diplomatic and military assistance from the United States

In 2011, the United States under President Obama announced its rebalance strategy, to which the Philippines gave its total support. This created a mutually beneficial dynamic between the United States and the Philippines—the former aimed to re-assert its influence in the region where an emerging China threatened to disrupt the distribution of power, while the latter desperately needed a security ally with which to balance against an imminent threat from China. While Washington sought to reinforce security relations with its allies in the region, Manila opened its borders to allow American forces back in the country by striking the EDCA deal with the United States in 2014. Despite being established as an executive agreement by the Aquino III administration, the EDCA encountered strong opposition from Philippine senators and national activist groups. The fervent domestic opposition both questioned the constitutionality of the EDCA and expressed fears of surrendering Philippine sovereignty to the United States. After a contentious and judicious review of the issues surrounding the bilateral agreement, the Philippine Supreme Court delivered a conclusive arbitration of upholding the EDCA as binding and constitutional, thereby obtaining the finishing touches to Aquino III’s external balancing.

When it comes to foreign policy options, small and weak states like the Philippines—when faced with a threat by a revisionist power—are not necessarily helpless. Without a doubt, the lack of a minimum credible defense against foreign dangers emphasized the inability of the Aquino III government to successfully mount an internal balancing policy. Meanwhile, the availability of an alliance in the United States presented Aquino III with the opportunity to expedite the attainment of added security.¹⁴¹ Therefore, such conditions led Aquino III to adopt an external balancing policy—in the form of the EDCA—with the United States against China.

¹⁴¹ Morrow, “Arms Versus Allies,” 208.

IV. CONCLUSION

The main question posed by this thesis asked why the Aquino III government pursued the Enhanced Defense Cooperation Agreement (EDCA) in 2014. This thesis has shown that the EDCA came about as the primary component of Aquino III's strategy to balance with the United States against China. The main question was further broken into two subquestions—whether to balance and how to balance—and answered by two hypotheses.

To answer the first part of the research question (whether to balance), the first hypothesis asserted that Aquino III chose to balance against China due to its threatening posture in the South China Sea and the availability of the U.S. alliance. Addressing the second part of the research question (how to balance), the second hypothesis claimed that Aquino III decided to externally balance with the United States, a decision that was prompted by his government's inability to internally balance. Moreover, this thesis examined the relevant domestic and international contexts and presented evidence that clearly supported the two hypotheses. In other words, Aquino III ultimately chose a foreign policy of external balancing with the United States against China due to his assessment that the latter posed the preeminent threat to the Philippines. Furthermore, because the Philippine government had failed to establish a credible defense against the Chinese threat, Manila sought to balance against China through strengthened security relations with the United States.

A. BALANCING BEHAVIOR

Chapter II discussed the evidence to support the first hypothesis by investigating the shifts in foreign policies of the Philippine governments since the 1980s. From the presidency of Corazon Aquino (1986–1992) up to the administration of her son, Benigno Aquino III (2010–2016), Philippine foreign policy has varied over time, in response to changes in the government's perception of foreign threat. The closure of the American bases in the early 1990s reflected in part the government's perception that the country did not face a significant threat, and therefore, Aquino believed she could focus on domestic

security issues. After the Chinese occupation of Mischief Reef in 1995, the Ramos government (1992-1998) perceived a threat, which necessitated the build-up of the Armed Forces of the Philippines (AFP) and a tightening of the U.S.-Philippine alliance through the passage of the Visiting Forces Agreement (VFA). The foreign policy of Gloria Arroyo (2001-2010) reflected a hedging between the United States and China that led to a Sino-Filipino entente, clearly suggesting that she did not view China as a threat. Meanwhile, Aquino III perceived the China threat more than his predecessor did. Therefore, he pursued a foreign policy that contrasted with Arroyo's, sought to modernize the AFP, and forged closer defense cooperation with the United States. Aquino III's foreign policy of balancing against China reflected realist underpinnings and resonated with Walt's balance of threat theory wherein a state has several options vis-à-vis a threatening power's offensive power and aggressive intentions.¹⁴²

B. EXTERNAL BALANCING

Chapter III of this thesis presented evidence to support the second hypothesis that Aquino III's decision to externally balance against China was the result of two major factors: his government's inability to mount a credible improvement to the AFP's capability to defend the country against the China threat, and the U.S. strategic rebalance to Asia—a crucial piece in Aquino III's external balancing policy.

The protracted fighting with the communists and the Muslim rebels prior to his presidency had degraded the AFP's ability to defend the maritime boundaries of the Philippines. Despite numerous attempts at brokering a peace deal with the Communist Party of the Philippines (CPP), the government reaped limited success. Likewise, the negotiation efforts for peace in Mindanao kept stalling due to the shortcomings of the government and the Muslim rebel groups, namely, the utter inability on both sides to fully implement and observe the terms of the various framework agreements.¹⁴³ Thus, the

¹⁴² Walt, *Origins of Alliance*, 10.

¹⁴³ Romelo L. Delos Santos, "Can the 2014 Comprehensive Agreement on the Bangsamoro (CAB) Succeed in Mindanao Where Previous Agreements Failed?" (master's thesis, Naval Postgraduate School, 2015), 59–62.

persistence of these domestic threats led the government to neglect the development of external defense capabilities, and the failings of his internal balancing program prompted Aquino III to look for outside assistance to counter the threatening actions of China. After obtaining assurances of security commitments from Washington, Manila in turn demonstrated support for the U.S. strategic pivot by allowing the rotational presence of American forces in the country through the EDCA, heralding greater defense cooperation and the strengthening of the historic U.S.-Philippine security alliance.

C. IMPLICATIONS OF FINDINGS FOR POST-AQUINO III PHILIPPINES

The tightening of the U.S.-Philippine security alliance that Aquino III engineered during his term faces serious possibility of derailment by his successor, Rodrigo Duterte, who took office after the 2016 general elections. A populist president who has a penchant for blunt and provocative language, Duterte has repeatedly expressed his desire to pursue an independent foreign policy.¹⁴⁴ Such rhetoric has been interpreted by many to mean a foreign policy that is independent of the United States, a stance that Duterte unequivocally confirmed on his state visit to China in October 2016, when he announced closer alignment with China and separation from the United States.¹⁴⁵

Duterte appears to promote an anti-U.S. narrative that could undermine the future of the defense ties between the Philippines and the United States. His continued assertion of his intention to rid the Philippines of its dependence on the United States has begun to erode the long-standing tradition of military cooperation between the American and Filipino armed forces. For example, Philippine defense officials have announced the suspension of the joint naval patrols and exercises in the South China Sea and stressed that Duterte wishes the “ongoing US-Philippine amphibious beach landing exercise to be

¹⁴⁴ GMA News Online, “Duterte Declares Independent Foreign Policy,” September 10, 2016, <http://www.gmanetwork.com/news/story/580839/news/nation/duterte-declares-independent-foreign-policy>.

¹⁴⁵ Ben Blanchard, “Duterte Aligns Philippines with China, Says U.S. Has Lost,” *Reuters*, October 20, 2016, <http://www.reuters.com/article/us-china-philippines-idUSKCN12K0AS>.

last in his six-year presidency.”¹⁴⁶ Moreover, the counterinsurgency operations in Mindanao would also be terminated as soon as the AFP acquires the necessary “intelligence-gathering capabilities” that the U.S. forces use against the Muslim insurgents.¹⁴⁷

These pronouncements to significantly downgrade ties with Washington carry serious implications not only for the security of the Philippines but also for the ability of the United States to protect the security of the region against the growing Chinese influence. On the one hand, should Duterte succeed in expelling American forces from the Philippines, he would drag the country back to its pre-VFA and -EDCA days when it sat defenseless against China’s assertive behavior in the South China Sea. On the other hand, Duterte’s convictions to sever security ties with the United States could undermine what the U.S. special forces and AFP have accomplished in their joint counter-terrorism operations since the September 11 attacks. The ending of U.S. military assistance would tremendously weaken the AFP’s capability to counter the domestic threats. Consequently, a U.S.-Philippine split would make it more challenging for Duterte to achieve his domestic goals, including the peace process with the communist rebels and Muslim militants.

Meanwhile, Duterte appears to demonstrate a hedging strategy by striking closer ties to China, indicative of his uncertain view regarding the South China Sea territorial dispute. His willingness to shelve the Permanent Court of Arbitration (PCA) ruling on the South China Sea to appease China underscores his view that China does not pose a significant threat to Philippine security.¹⁴⁸ Duterte’s defense and foreign policy advisers have been diligent in advising prudence in his political decisions. They believe that Duterte’s inexperience in foreign policy, combined with his deep-seated anti-American

¹⁴⁶ The Guardian, “Philippines to Suspend Joint Exercises and Patrols with the U.S. Military,” October 7, 2016, <https://www.theguardian.com/world/2016/oct/07/philippines-suspend-joint-exercises-duterte-anti-us-rhetoric>.

¹⁴⁷ Ibid.

¹⁴⁸ Nestor Corrales, “Duterte Says He’ll Set Aside Arbitral Ruling on South China Sea,” *Inquirer.net*, December 17, 2016, <https://globalnation.inquirer.net/150814/duterte-says-hell-set-aside-arbitral-ruling-on-south-china-sea>.

sentiments that are strongly influenced by his leftist leanings, could be driving his ardent opposition to the United States.¹⁴⁹

Notwithstanding the influence of Duterte's personal and political idiosyncrasies on the formulation of Philippine foreign policy, it is important to recall the resilience of the U.S-Philippines security alliance through periods of successes and challenges over the decades. When the American bases departed in 1992, the anti-U.S. camp in the Philippines triumphantly declared the demise of the alliance and American colonialism. China's assertiveness in the South China Sea, however, compelled Manila to negotiate the VFA in 1998. The 9/11 attacks heralded an age of global terrorism that drove a closer bilateral security cooperation between the United States and the Philippines. Finally, the re-emergence of the Chinese threat in the South China Sea during the Aquino III presidency led to the signing of the EDCA in 2014.

In conclusion, the threat context that the Philippines faced during the Aquino III government has remained relatively unchanged during the current Duterte administration. When he was president, Aquino III perceived the increasing China's offensive power and aggressive actions in the South China Sea as the preeminent foreign threat to Philippine national security. Conversely, these enduring threat elements that characterize the Chinese menace do not seem to convince the Duterte administration to view China as a serious threat. Rather, it appears that Duterte's pro-China and anti-U.S. overtures indicate a shift in Philippine foreign policy from the previous government. His administration looks to adopt a foreign policy strategy which does not necessitate balancing against China, especially if it requires significant defense cooperation with the United States.

¹⁴⁹ Prashanth Parameswaran, "Will Duterte End the US-Philippines Military Alliance?," *The Diplomat*, October 27, 2016, <http://thediplomat.com/2016/10/will-duterte-end-the-us-philippine-military-alliance/>.

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