

Territorial Disputes, Realpolitik, and Alliance Transformation: The Case of Twenty-first Century Philippine-U.S. Security Relations

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How do territorial disputes transform alliances? How are alliances transformed? This article examines how the Philippines' territorial dispute with China over the Spratlys compels it to strengthen its security ties with the United States. Specifically, it observes that China's realpolitik approach to the quarrel shifts the focus of the Philippine-U.S. security relationship from counterterrorism/counterinsurgency to developing the AFP's maritime/territorial defense capabilities. It also analyzes how this contentious issue impacts on the alliance in terms of: (1) reformulation of its threat perception, (2) the hegemon's prerogative, (3) the process of institutionalization, (4) the strategy of institutionalization, and (5) the intra-alliance bargaining process. In conclusion, the article notes that the reconfiguring of the Philippine-U.S. alliance, which has been revitalized in the aftermath of the 9/11 terrorist attacks, aims to address the major security challenge of the twenty-first century—China's emergence and increasing assertiveness as a regional power.

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On the morning of September 11, 2001, nineteen terrorists hijacked four passenger airliners and crashed two of them into the twin towers of the World Trade Center in New York. The third crashed into the western side of the Pentagon in Arlington, Virginia, and the fourth one crashed into a field in Pennsylvania. These infamous terrorist attacks, which claimed the lives of nearly three thousand people, shocked the American public and friends and allies of the United States around the world. As a result, President George W. Bush launched a war on international terrorism, declaring that “terrorism against our nation will not stand.”¹ Within hours of the attacks, Bush had formed a global coalition of states aimed at destroying global terrorist networks and state sponsors of terrorism, and ending the manufacture and spread of weapons of mass destruction (WMD).² The Philippines immediately accommodated the Bush administration’s post-9/11 security agenda of expanding the global war on terror by opening a second front in Southeast Asia. This allowed the United States to hunt down a radical Islamist militant group in the southern Philippine island of Mindanao—the Abu Sayyaf. This pursuit required the engagement of U.S. Special Forces and the Armed Forces of the Philippines (AFP) in several training exercises involving counterinsurgency and counterterrorism warfare, logistics and equipment maintenance, intelligence-gathering, and civic-military operations.

The early twenty-first century revitalization of the Philippine-U.S. alliance generated long-term political capital for both Washington and Manila. On the one hand, Washington’s extension of the war on terror to the Philippines enabled the AFP to obtain military assistance from the

¹Fred I. Greenstein, “The Leadership Style of George W. Bush,” in *The George W. Bush Presidency: An Early Assessment*, ed. Fred I. Greenstein (Baltimore and London: Johns Hopkins University Press, 2003), 10.

²Ivo H. Daalder and James M. Lindsay, “Bush Foreign Policy Revolution,” in *ibid.*, 118.

United States. On the other hand, it achieved three significant gains for Washington. First, it provided the U.S. military with a field laboratory for conducting unconventional warfare. Second, the U.S. military prevented the Philippines from becoming an entry point and a sanctuary for militant Islamist groups operating in Southeast Asia. Third, the broadening of Philippine-U.S. security cooperation generated strategic U.S. deterrence vis-à-vis China, and strengthened the Philippines' ability to counter the pressures exerted by China in pressing its claim over the Spratly Islands.³ As China has become more assertive and heavy-handed in the South China Sea, the alliance has shifted its focus from counterterrorism/counterinsurgency to developing the Philippine military's territorial/maritime defense capabilities.

This article examines the revival and transformation of the Philippine-U.S. alliance in the early twenty-first century amid the onslaught of global terrorism and the tension generated by the South China Sea dispute. Specifically, it explores how the alliance has been reconfigured to enable the AFP to address the challenge from China in the South China Sea. Hence, it raises this main question: How is the South China Sea dispute transforming twenty-first century Philippine-U.S. security relations? It also answers these ancillary questions: What are the features of the twenty-first century Philippine-U.S. security relationship? What challenges does it face? How does it confront these security challenges? What are the institutional mechanisms in the alliance? How does it strategize to keep the alliance relevant in the present century? What is the future of this alliance in the face of the South China Sea dispute?

Territorial Disputes, Alliance, and Alliance Transformation

What are territorial disputes? Do territorial disputes lead to armed conflicts? How do small powers react when confronted by a big power

³Evan S. Medeiros et al., *Pacific Currents: The Response of U.S. Allies and Security Partners in East Asia to China's Rise* (Santa Monica, Calif.: Rand, 2008), 122.

in a territorial dispute? How do territorial disputes trigger alliance formation, or in this case, alliance transformation? And finally, how is alliance transformation effected?

Territorial disputes are recurring phenomena in international relations and a constant cause of conflicts among states. They are triggered by two situations.⁴ In the first, two states disagree over how their territory or borders should be delimited, and in the second, one state challenges the right of another state to exercise sovereign rights over some or all of its homeland or its colonial or maritime territory. However, territorial disputes do not automatically lead to war; rather, they provide the necessary, but not the sufficient conditions for the occurrence of armed conflict. They lead to war if the claimant states apply realpolitik tactics that increase the chances of armed hostilities breaking out. Realpolitik (or power politics) is not the only way to settle territorial disputes. If this approach is discarded, war is avoided.⁵ This means that territorial disputes are of causal significance; their existence makes armed conflict a possibility, not a certainty.⁶ As one study notes, “[disputes over] territory and borders do not cause wars; they at least create a structure of risks and opportunities in which conflict behavior is apparently more likely to occur.”⁷

States that are parties to a dispute generate militarized conflicts if they apply realpolitik tactics in resolving contentious issues. As an approach, power politics views the world as insecure and anarchic. Thus, it involves foreign policy actions that smack of distrust; struggles for power; national interest taking precedence over norms, rules, and collective interests; Machiavellian stratagems; coercion; attempts to balance power; and the use of force and war as the *ultimo ratio* of international relations.⁸

⁴Paul K. Huth, “Why Are Territorial Disputes between States a Central Cause of International Conflict?” in *What Do We Know about War?* ed. John Vasquez (Lanham, Md.: Rowman and Littlefield, 2000), 86.

⁵John Vasquez, *The War Puzzle* (Cambridge: Cambridge University Press, 1993), 124.

⁶*Ibid.*, 124.

⁷Paul R. Hensel, “Theory and Evidence on Geography and Conflict,” in Vasquez, ed., *What Do We Know about War?* 61.

⁸Vasquez, *The War Puzzle*, 86.

Power politics serves as a guidepost for policy-makers (and their societies) to act or behave in a certain way according to a given situation—such as a territorial dispute—and global realities.⁹ This approach to a territorial dispute relies heavily on a test of power—through conquest, forced submission, or deterrence directed at the other parties. It is also considered to be a form of particularistic policy based on unilateral actions that can lead to confrontations and, ultimately, armed conflict among disputing states.¹⁰

When confronted by a more powerful state bent on pursuing its territorial claim through the realpolitik approach, a smaller power may either balance or bandwagon. Balancing is defined as allying with another power against the threatening power, while bandwagoning refers to alignment with or appeasement of the source of threat. Whether the smaller power will balance against or bandwagon with the threatening power depends on three factors: (1) geographic proximity; (2) availability of a willing ally; and (3) learned social practice in terms of how a state copes with threatening security issues in the modern global system. Geography plays a vital role in the decision whether to enter into an alliance since a state's ability to project power declines with distance. A threatening state that is relatively distant from the threatened one can force the latter into balancing behavior. Or the threatened one can form an alliance network with other smaller powers in the region or with an external power to circumvent or check the central power, as described by Kautilya, the Indian political strategist of the fourth century B.C.¹¹ Smaller powers are inclined to adopt balancing behavior when an ally or allies are readily available. Moreover, a state that balances a threatening power by mobilizing its own resources can be assured of assistance from its prospective ally. A smaller power will also be encouraged to balance if the stronger ally communicates to its weaker partner their shared interests and values, and its willingness to coordinate its response against the threatening power. Finally,

⁹Ibid., 87.

¹⁰Ibid., 269.

¹¹Stephen Walt, *Origin of Alliance* (Ithaca, N.Y.: Cornell University Press, 1990), 23.

since the decision to form or transform an alliance is a foreign policy matter, a state that has relied on alliances in the past will see it as the only way of confronting current security issues.

The South China Sea Dispute

As the administrator of Hainan and the Paracel Islands, China has declared that its sovereignty over a vast portion of the South China Sea is indisputable. On May 7, 2009, China submitted its nine-dash line map to the United Nations Commission on the Limits of the Continental Shelf in protest at submissions from Malaysia and Vietnam.¹² The map features a U-shape boundary that extends as far south as the northern coasts of Malaysia and Brunei and encloses an estimated 80 percent of the South China Sea.¹³ China also claims the two main island groups—the Paracels and the Spratlys—that consist of small islands that were uninhabited prior to the twentieth century. These islands are, however, potentially rich in oil and gas reserves, and are situated along the major sea-lanes of commerce and communication. Toward the end of the first decade of the twenty-first century, the Philippines and Vietnam announced plans to conduct joint oil and gas exploration in their respective exclusive economic zones (EEZs) in the South China Sea. Beijing, however, viewed these efforts as a challenge to its “indisputable claim” in the South China Sea and an affront to its attitude of tolerance toward its smaller neighboring states. Hence, China is currently enhancing its territorial integrity and national security by consolidating its claim over a vast portion of the South China Sea. However, the small Southeast Asian states regard this as outright Chinese expansionism in an area of key strategic and economic importance.¹⁴

¹²Carlyle A. Thayer, “China’s New Wave of Aggressive Assertiveness in the South China Sea,” *International Journal of China Studies* 2, no. 3 (December 2011): 556-57.

¹³Marc Lanteigne, *Chinese Foreign Policy: An Introduction* (Abingdon, Oxon, and New York: Routledge, 2009), 121.

¹⁴David Scott, *China Stands Up: The PRC and the International System* (Abingdon, Oxon, and New York: Routledge, 2007), 104.

China has developed a formidable navy which has moved beyond its original focus on preempting possible U.S. intervention in a Taiwan Strait crisis to denying the U.S. Navy access to the East and South China Seas, or the area inside the “first island chain” that runs from Japan and Okinawa to Taiwan and down to the Philippines. This is aimed at altering the regional balance of power in China’s favor which, in the long run, will compel the United States to reconsider any possible military intervention in a major Taiwan Strait crisis given the strategic risk Beijing is willing to take in realizing its most vital core interest—unification with the Republic of China.¹⁵ China’s annual defense spending has experienced a double-digit increase since 2006. Concretely, the People’s Liberation Army Navy (PLAN) has acquired a growing fleet of Russian-made diesel-electric Kilo-class submarines and Sovremenny-class destroyers, along with several types of indigenously-built destroyers, frigates, and nuclear-powered attack submarines. China has introduced three new classes of destroyers (Luyang I, Luyang II, and Luzhou) with more capable radar and air-defense weapons systems, and frigates (Jiangwei II, Jingkai I, and Jingkai II) with improved war-fighting capabilities and seaworthiness.¹⁶ The PLAN has also expanded its operational capabilities across the waters surrounding Taiwan and has deployed two new classes of ballistic missile and attack submarines.

Moving beyond its original focus on Taiwan, China has developed the naval capabilities to generate regional tension by challenging the maritime claims of its smaller neighboring states, and in the long run, by changing the strategic pattern in East Asia and the Western Pacific where the U.S. Navy could be pushed out from these maritime commons. Interestingly, Chinese media commentators and analysts have emphasized the significance of their country’s growing naval power and the urgent need

¹⁵Kailash K. Prasad, “An Assessment of the Goals, Drivers, and Capabilities of China’s Modernizing Navy,” *Korean Journal of Defense Analysis* 24, no. 1 (March 2012): 56.

¹⁶Ronald O’ Rourke, “PLAN Force Structure: Submarines, Ships, and Aircraft,” in *The Chinese Navy: Expanding Capabilities, Evolving Roles*, ed. Phillip C. Saunders et al. (Washington, D.C.: National Defense University Press, 2011), 154-55.

to protect its expansive maritime claims in the South China Sea. Chinese naval analysts, academics, and opinion makers are unanimous that the PLAN should have unlimited operational range and must possess blue-water capabilities to show a military presence at sea, provide deterrence, and conduct military diplomacy missions.¹⁷

Consequently, China has increased its naval patrols (using submarines, survey ships, and surface combatants) in Japan's EEZ and territorial waters, and has intimidated foreign oil companies that tried to operate in the South China Sea since 2008.¹⁸ These unilateral actions by China are perceived as testing the resolve of the other claimant states. Worse, they create tension in the region and place China on a collision course with two ASEAN member-states—Vietnam and the Philippines.

The Philippines and Vietnam cannot hope to balance China's military prowess. They may occasionally deploy ships or aircraft in the disputed waters individually, but they cannot simply outmatch China's growing naval might even if they combine their manpower, equipment, and defense budgets. In fact, their militaries show little interest in pooling their resources and forming a collective force to confront China. Again, the stumbling block is their unwillingness to jeopardize the beneficial economic and political ties they have with China. The Philippines and Vietnam are currently acquiring some surface combatants and submarines to balance China's increasing assertiveness and growing naval prowess. They have also become more forceful in defending their claims and have enlisted outside allies with considerable energy, which in turn is increasing incidents and tensions in the South China Sea.¹⁹ However, there is no way their combined navies can face up to the PLAN's surface combatants which number thirty-one destroyers, fifty frigates, and thirty ocean-capable

¹⁷Daniel M. Hartnett and Frederic Vellucci, "Toward a Maritime Security Strategy: An Analysis of Chinese Views since Early 1990s," in *ibid.*, 101.

¹⁸Michael A. Glosny, "Getting Beyond Taiwan? Chinese Foreign Policy and PLA Modernization," *Strategic Forum*, no. 261 (January 2011): 5.

¹⁹International Crisis Group, "Stirring Up the South China Sea II: Regional Responses," *Asia Report*, no. 229 (July 2012): 1.

ble fast-attack craft backed up by various nuclear-powered ballistic missile and attack submarines.²⁰ Furthermore, China continues to maintain that its sovereignty over the South China Sea is nonnegotiable—a stance that it is unlikely to change, as to do so would be “too politically compromising to its long held logic of indivisible territorial sovereignty.”²¹ In desperation, to balance China’s fervent nationalism, unilateral moves, and preponderant naval prowess, these two claimant states, along with South Korea and Japan, gravitate toward the United States for their security and defense requirements.

This is especially true of the Philippines. For this former American colony, alliance is the most viable course of action for the following reasons: (1) the Philippines’ archipelagic nature and relative distance from the Asian mainland; (2) its six-decade-long status as an American ally and as a recipient of U.S. military assistance and security commitment; and (3) its revitalized security partnership with the United States after 9/11. Specifically, what is now on the agenda for the alliance is transformation of the post 9/11 security relationship focused on counterterrorism/counterinsurgency into a strategic partnership to develop the AFP’s modest maritime/territorial defense capability.

Transforming Alliances: The Case of the U.S.-Philippine Security Relationship

Alliance revitalization or transformation entails a review of new converging security interests between and among allies, and the prevention of inter-ally disputes or disagreements. Moreover, it requires a reconfiguration through institutional arrangements to address new security challenges. A new threat can cause the transformation of an alliance. It can be in the form of unrestrained behavior on the part of allies, instability,

²⁰O’Rourke, “PLAN Force Structure,” 145-53.

²¹Prasad, “An Assessment of the Goals,” 57.

weapons proliferation, and other nontraditional security issues. It can also be the transformation of a specific military challenge into something more comprehensive and systemic—such as a change in the regional security environment and the uncertainties it generates—or more significantly, the emergence of a new power that can cause systemic changes in the global society. An emerging threat makes the allies set aside their differences and produce a new accord. Usually, this threat binds the allies together but it does not automatically translate into cooperation or compromise. The allies know, however, that the cost of non-compromise is greater than the cost entailed by compromise. To address this new threat, allies must take into account five interacting variables—a reformulated threat perception, a process of institutionalization, a strategy of institutionalization, the hegemon's prerogative, and an intra-alliance bargaining process.

A New raison d'être for an Old Alliance

The tragic events of 9/11 brought to light a real but much-ballyhooed security challenge of the twenty-first century—international terrorism. As a form of asymmetric conflict, terrorism uses force to generate fear, draw public attention to a political grievance or issue, and elicit a dramatic response from a targeted state.²² The infamous 9/11 attacks, which caused more casualties in the continental United States than any other war except the American Civil War, proved how lethal well-orchestrated terrorist acts could be. Most major terrorist acts in the twenty-first century are motivated by transnational or transcendent goals, which enable terrorism to assume a global dimension as it circumvents limitations imposed by territorial boundaries of states.

Terrorism has bedeviled the Philippines since the 1990s. It was during the late 1990s that a new terrorist group, the Abu Sayyaf, gained

²²James D. Kiras, "Terrorism and Irregular Warfare," in *Strategy in the Contemporary World: An Introduction to Strategic Studies*, ed. John Baylis et al. (New York: Oxford University, 2001), 221.

notoriety. Abu Sayyaf called for the establishment of an Islamic state governed by the Sharia, a religious agenda far more radical than the one espoused by the Moro Islamic Liberation Front (MILF). Later, the group staged a series of bombings, murders, high-profile hostage seizures or kidnappings-for-ransom, massacres, and extortions. The 9/11 attacks and the subsequent American-led counterterrorism coalition not only revitalized the Philippine-U.S. alliance but also justified the Philippine military's "search-and-destroy" operations against the Abu Sayaff in the early twenty-first century. Consequently, the Pentagon prioritized and increased U.S. security assistance to the Philippines which became the "second front" in the global war on terrorism.

A traditional security challenge—China's growing naval presence and assertiveness in the South China Sea—now confronts the two allies. In the latter part of the first decade of the twenty-first century, Manila and Washington noted China's naval intrusions into Philippine territorial waters and the diplomatic/political pressures it exerted on other claimant states. A recent study on Chinese activism in the South China Sea comments: "Over the past several years, however, China has reverted to a more assertive posture in consolidating its jurisdictional claims, expanding its military reach, and seeking to undermine the claims of other states through coercive diplomacy."²³ In March 2009, Chinese naval and fishing vessels harassed the USS *Impeccable* which was openly conducting survey operations in the South China Sea. The following year, China warned the United States that it should respect its sovereignty in the South China Sea. In March 2010, Chinese officials conveyed to two visiting senior U.S. State Department officials that China would not tolerate any U.S. interference in the South China Sea since that area was now part of the country's "core interests" of sovereignty on a par with Taiwan and Tibet.²⁴ In diplomatic parlance, the term "core interest" refers to an issue that

²³Clive Schofield and Ian Storey, *The South China Sea Dispute: Increasing Stakes and Rising Tension* (Washington, D.C.: Jamestown Foundation, 2009), 1.

²⁴Edward Wong, "China Asserts Role as a Naval Power," *International Herald Tribune*, April 23, 2010, 1, 4.

China is willing to use force to defend. This created concerns in South-east Asia and in the United States, since prior to 2010, Chinese political leaders had applied this term only to Tibet and Taiwan. Consequently, this caused Beijing to backtrack by saying that with the exception of Taiwan, the Chinese government has never officially identified any single foreign policy issue as one of the country's core interests.²⁵ However, the statement, although made with no official authorization, created a great deal of confusion and concern among other claimant and non-claimant states since it was announced at a time when the PLAN was developing the necessary naval capabilities to enforce this claim.

China became increasingly assertive in early 2011. On March 2, 2011, two Chinese patrol boats confronted a survey ship commissioned by the Philippine Department of Energy (DOE) to conduct oil exploration in the Reed Bank (now called Recto Bank), 150 kilometers east of the Spratly Islands and 250 kilometers west of the Philippine island of Palawan. (Prior to this incident, British-based Forum Energy—in a joint exploration venture with its Philippine partner Philex Mining Corporation—announced its completion of a geographic survey of a potential gas field near the Reed Bank off Palawan.)²⁶ The survey ship was identifying sites for possible appraisal wells to be drilled in the next phase of the DOE-Forum Energy-Philex Mining Corporation contract when it was accosted by the two Chinese patrol boats. According to Philippine sources, the boats twice moved dangerously close to the Philippine vessel as they ordered it to leave the area,²⁷ only turning away when they got close.²⁸ The unarmed survey vessel radioed for assistance to the AFP's Western Command in Palawan, and the Philippine Air Force (PAF) dispatched two reconnais-

²⁵Wang Jisi, "China's Search for a Grand Strategy: A Rising Great Power Finds Its Way," *Foreign Affairs* 90, no. 2 (March-April 2011): 71.

²⁶Alastair McIndoe, "Philippines Stirs Waters off Spratlys," *McClatchy-Tribune Business News*, March 31, 2011, 3, <http://proquest.umi.com/pqdweb?index=28&id=2306821501&Src>.

²⁷Jerome Aning and Norman Bordadora, "China Snubs PH Protest," *Philippine Daily Inquirer*, March 5, 2011, 1, 11.

²⁸*Ibid.*, 11.

sance planes. The Chinese patrol boats, however, had left the area before the aircraft arrived.

The March 2, 2011, incident at the Reed Bank underscored the volatility of the South China Sea dispute and the tension generated between China and the Philippines despite their entente in the early years of the twenty-first century. Two days after the incident, the Philippine government filed a diplomatic protest with the Chinese embassy in Manila. It stated that “the incident happened in an area within the Philippine maritime territory.” Brushing aside the Philippine complaint, a Chinese embassy official insisted that China has indisputable sovereignty over the Nansha Islands and their adjacent territory. Despite the Chinese embassy’s condescending response, President Benigno Aquino III said that he wanted to defuse the tension, but he announced, nevertheless, that an unarmed Philippine Coast Guard patrol craft would be deployed to secure the survey ship conducting oil exploration activities at the Reed Bank.

In early June 2011, the Chinese foreign ministry sternly told the Philippines to stop “harming China’s sovereignty and maritime rights and interests, which leads to unilateral actions that can expand and complicate South China Sea dispute.”²⁹ It was Beijing’s response to Manila’s protest against China’s plan to deploy an oil rig deep within the Philippines’ EEZ. The Philippines also sought clarification on the recent sightings of China Marine Surveillance (CMS) and PLAN ships near the Kalayaan group of islands. Beijing went on to demand that Manila seek Chinese permission before conducting oil exploration activities within the Philippines’ EEZ. China, in fact, was badgering the Philippines and other claimant states to recognize China’s sovereign claim over the South China Sea.³⁰ At the same time, the Chinese ambassador in Manila justified Chinese

²⁹ Anonymous, “China Says Philippines Harming Sovereignty, Interests in Spratlys,” *BBC Monitoring Asia-Pacific*, June 9, 2011, 1, <http://proquest.umi.com/pqdweb?index=64&did=2369715781&Src>.

³⁰ Anonymous, “China Wants Philippines to Seek Permission before Spratlys Oil Search,” *BBC Monitoring Asia-Pacific*, June 10, 2011, 1, <http://proquest.umi.com/pqdweb?index=281&did=2370661661&Sr>.

actions against the Philippine survey ship at the Reed Bank as an exercise of jurisdiction over an area that is a part of China's territory.³¹ He further said the Philippine surveying activity in the area is a "violation of Chinese sovereignty and that is something that we (China) are against." Thus, China's heavy-handed behavior against the Philippines and Vietnam in the first half of 2011 intensified the tension in the disputed areas. More importantly, it made the Aquino administration realize that the Philippines is potentially on a direct collision course with an emergent China in the South China Sea.³²

At the height of the Philippines' territorial row with China in mid-June 2011, President Aquino acknowledged the need for U.S. assistance. The U.S. ambassador to the Philippines, Harry Thomas, readily pledged U.S. support to the Philippines. He stated: "The Philippines and the U.S. are longstanding treaty allies. We are strategic partners. We will continue to consult each other closely on the South China Sea, Spratly Islands and other issues."³³ A further expression of support came from U.S. Secretary of State Hillary Clinton. During her meeting in Washington, D.C., with the Philippine foreign affairs secretary, Albert Del Rosario, she expressed apprehension about China's intrusion into the Philippines' EEZ and reiterated U.S. commitment to the 1951 Mutual Defense Treaty and the strategic alliance with its Southeast Asian ally.³⁴ She reaffirmed American support, even if it meant providing "affordable" material and equipment to enable the AFP to defend the country.³⁵ She also suggested that the two allies identify the military hardware needed by the AFP. Secretary Del

³¹Ibid., 3.

³²See Edward Wong, "China Asserts Role as a Naval Power," *International Herald Tribune*, April 23, 2010, 1, 4.

³³Greg Torode, "U.S. under Pressure over Sea Dispute Washington Has Stopped Short of Specifics on Its Position under a Defense Pact with Manila on Recent Incursion by China in the South China Sea," *South China Morning Post*, June 17, 2011, 2, <http://proquest.umi.com/pqdweb?index=177&did=2376593311&Sr>.

³⁴Bernice Camille V. Bauzon, "U.S. Ready to Arm Philippines," *Tribune Business News*, June 27, 2011, 1, <http://proquest.umi.com/pqdweb?index=8&did=2384777551&Sr>.

³⁵Ibid., 1.

Rosario later announced that U.S. military and defense officials would visit the Philippines in late 2011 to assess the AFP's requirements for the country's territorial/maritime defense.

In mid-November 2011, Secretary Clinton visited Manila and discussed the value and durability of the sixty-year-old alliance with Secretary Del Rosario on board the American destroyer, the USS *Fitzgerald*. A joint communiqué declared the allies' mutual interest in maintaining the freedom of navigation, unimpeded lawful commerce, and the transit of people across the seas.³⁶ Both countries expressed their adherence to a rules-based approach to resolving competing maritime claims through peaceful, collaborative, multilateral, and diplomatic processes within the framework of international law. Clearly, these statements are directed against China's realpolitik approach to pressing its expansionist maritime claim. The communiqué also declared that the sixty-year-old alliance had never been stronger and would continue to expand in the twenty-first century to enhance the Philippine military's defense, interdiction, and apprehension capabilities in the maritime domain. Secretary Clinton underscored this point when she confirmed U.S. support for the ongoing efforts to modernize the Philippines' territorial defense capability, particularly on domain awareness for the defense of maritime boundaries, as the country resolves the West Philippines Sea dispute (the name used by the government of the Philippines for the South China Sea).³⁷ As a token of this commitment, Secretary Clinton assured Philippine defense officials that the United States would provide a second refurbished Hamilton-class cutter to the Philippine Navy in 2012.³⁸ She then announced the holding of a second Philippine-U.S. Strategic Dialogue in early January the follow-

³⁶"Philippines-United States: Philippines, U.S. Affirm Mutual Defense Treaty as Foundation of Relationship; Signed Manila Declaration," *Asia News Monitor*, November 18, 2011, 2, <http://proquest.umi.com/pqdweb?index=156&did=251358305&Sr>.

³⁷"United States/Philippines: Clinton Extends President Obama's Invitation for Aquino State Visit to the U.S. Early Next Year," *Asia News Monitor*, November 18, 2011, 2, <http://proquest.umi.com/pqdweb?index=160&did=251358282871&Sr>.

³⁸Sheldon Simon, "U.S.-Southeast Asia Relations: Rebalancing," *Comparative Connections* 11, no. 3 (January 2012): 3, <http://csis.org/files/publication/1103qus-seaia.pdf>.

ing year in Washington D.C. to discuss the specifics of U.S. military assistance to the AFP.

No amount of American material and technical assistance, however, will enable the Philippines to confront an assertive China in the South China Sea. Moves by the Philippines to redirect the AFP from internal security to territorial defense are aimed at developing a comprehensive border patrol system, not naval war-fighting capabilities. The development of the Philippine Navy's (PN) and PAF's systems for early warning, surveillance, and command, control and communication is designed for "joint operations capabilities" in maritime defense and interdiction. Thus, it merely complements the deterrence provided by the U.S. forward deployment and bilateral alliances in East Asia. In the final analysis, the Philippines' territorial defense posture is predicated on the United States asserting its position as the dominant naval power in the Pacific.

Hegemonic Prerogative

Another factor that can mitigate the legitimate clash of interests within an alliance is a strong leader, able and willing to exercise its hegemonic prerogative. This alliance leader must bear an unequal share of the costs, offer inducements to member-states, or even punish a disloyal ally.³⁹ After 9/11, the United States declared a low-intensity war against terrorist networks in East Asia. U.S. foreign policy was radically transformed when earlier post-Cold War priorities, such as economic diplomacy, democratization, and human rights, became peripheral to the main goal of eradicating international terrorism. In the early years of the twenty-first century, the Bush administration pursued an active, limited, but sustained counterterrorism campaign in East Asia. It dangled financial, security, and diplomatic assistance in front of its allies and supporters in an effort to engage and mobilize them to destroy terrorists' training facilities, seize their

³⁹Walt, *Origin of Alliance*, 167.

financial assets, and end political sponsorship of terror. Currently, the counterterrorism campaign has mutated into an overarching diplomatic/security gambit that serves as a hedge against an emergent China.

China has traditionally considered itself to be a power in East Asia. Given its considerable military might and rapid economic growth in the past two decades, it now sees itself as capable of eroding U.S. strategic and political clout in the region. However, it does not intend to confront the United States head-on at present or in the immediate future. China is concentrating on economic development in order to achieve comprehensive security without subordinating its overall national effort to meeting direct challenges from any superpower.⁴⁰ Its security agenda is economically driven, as exemplified by its dynamic economic relations with Japan, South Korea, and the United States. Nevertheless, in its pursuit of security, economic, and financial ventures, China has created a situation of “unstable balancing” in East Asia without directly undermining U.S. preeminence in the region.⁴¹

In this complex situation, Washington is adopting a hedging strategy to manage China’s emerging capabilities and influence its intentions. This strategy is primarily a reaction to China’s gambit of peaceful emergence in East Asia. In its initial form, this hedging strategy assumes that among the emerging powers, China has the greatest potential to compete militarily with the United States in the future.⁴² This strategy, however, does not regard China as an immediate threat or a Soviet-style rival. Instead, it sees China as inching its way to a direct confrontation with the United States and its alliance system. Thus, it prescribes that Washington openly communicate to Beijing that the United States intends to remain a dominant Pacific power and that China can ill afford a miniature arms race or a geopolitical rivalry with it.⁴³ The strategy also requires the United States

⁴⁰Russell Ong, *China’s Security Interests in the Post-Cold War Era* (London: Curzon, 2002), 179.

⁴¹*Ibid.*, 54.

⁴²Neil King, “Conflict Insurance: As China Boosts Defense Budget, U.S. Military Hedges Its Bets,” *Wall Street Journal*, April 20, 2006, A1.

⁴³*Ibid.*

and its allies to strengthen their bilateral ties, limit Chinese influence among those allies, and steer China away from the path of confrontation. In addition, the hedging strategy dictates that the United States and its allies nurture an East Asian environment in which China can act as a constructive and responsible power.⁴⁴

Washington, however, is now in a quandary as to what diplomatic strategy should be adopted to address China's increasing economic clout, military capabilities, and political assertiveness. China's extensive economic links with its neighbors, the latter's military weakness vis-à-vis the PLAN, and Beijing's participation in several regional forums make balancing an expensive and difficult U.S. diplomatic strategy for the region.⁴⁵ Containment, an artifact from the Cold War, may be insufficient in dealing with a generally pragmatic (not ideological), diplomatically astute, economically powerful, but unstable minimal status quo power like China. The evolving strategy is constraintment. It involves a group of states forming a temporary coalition to exert political/diplomatic pressure on China with the goal of defending their collective interests, and of modifying (not containing or balancing) its aggressive behavior.

In the case of the Philippine-U.S. alliance, this constraintment policy involves the Pentagon providing material and technical assistance to develop the AFP's capabilities in territorial/maritime security. One senior U.S. Defense Department official noted in 2009 that the Pentagon would support Philippine forces fighting the terrorists, while looking at ways to go beyond that current assistance.⁴⁶ Secretary of State Hillary Clinton emphasized this point by saying "... we are working not just to sustain

⁴⁴Evans J. Revere, "United States Interest Strategic Goals in East Asia and the Pacific," *DISAM Journal of International Security Management* 27, no. 3 (Spring 2005): 7.

⁴⁵For interesting discussions on the problems associated with balancing as a strategy vis-à-vis an emergent China, see Bates Gill, "China as a Regional Military Power," in *Does China Matter? A Reassessment*, ed. Barry Buzan and Rosemary Foot (London and New York: Routledge, 2004), 124-64; Robert Ross, "Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia," in *Chinese Security Policy: Structure, Power and Politics*, chapter 4 (London and New York: Routledge, 2009), 87-115.

⁴⁶Fred Baker, "Gates Visits the Philippines to Reaffirm U.S. Commitment," *Armed Forces Press Service*, June 1, 2009, <http://www.defense.gov/news/newsarticle.aspx?id=54569>.

them (the U.S. bilateral alliances in East Asia) but to update them, so they remain effective in a changing world.”⁴⁷ Operationally, this entails de-emphasizing the U.S. military presence in Northeast Asia in favor of diversifying America’s strategic footprint throughout Southeast Asia, particularly by fostering security cooperation and conducting capacity operations with its old and new allies. Washington’s medium-term goal is to assist the AFP in its counterinsurgency/counterterrorism efforts, maritime security concerns, and its shift from internal security to territorial defense. Kurt Campbell, the U.S. assistant secretary of state for East Asian and Pacific affairs, indicated this when he declared, “We also support the Philippines, particularly in the maritime domain, as it moves to improve its maritime security and interdiction capabilities.”⁴⁸ In the long run, Washington hopes that the Philippines can enhance America’s key strategic interest in Southeast Asia—the maintenance of a regional balance of power that tilts in favor of the United States. At present, China can undermine this delicate regional balance of power.

Institutionalization

A new and hypothetical threat is not in itself sufficient to hold an alliance together. Fostering continued cooperation between or among allies needs formal organizational structures with decision-making and other intra-alliance functions. These structures provide the member-states with incentives to maintain open channels of communication within the alliance. In the long run, the institutionalized organs create capabilities and benefits that can ensure the alliance’s survival in a changing international environment.

⁴⁷Hillary Rodham Clinton, “America’s Engagement in the Asia-Pacific” (remarks in Honolulu, Hawaii, October 28, 2010), <http://www.state.gov/secretary/rm/2010/10/150141.htm>.

⁴⁸Kurt Campbell, “The U.S.-Philippines Alliance: Deepening the Security and Trade Partnership” (testimony before the House Committee on Foreign Affairs Subcommittee on Terrorism, Non-Proliferation and Trade, Washington, D.C., February 7, 2012), <http://www.state.gov/p/eap/rls/rm/2012/02/183494.htm>.

The current Philippine-U.S. alliance is institutionalized and made operational by the annual convening of the Philippines-U.S. Mutual Defense Board (MDB), which is tasked to: (1) schedule periodic joint military exercises; (2) arrange the institutionalization of a temporary access arrangement for U.S. forces deployed in the region; and (3) oversee the temporary deployment of U.S. troops to assist the AFP in its counterterrorism/counterinsurgency operations. The MDB was created in 1958 by the Bohlen-Serrano Exchange of Notes. It is mandated by the Council of Foreign Ministers of the two allies to formulate measures for the effective implementation of the MDB's specific objectives. In 2002, the MDB drafted a five-year work plan for increased and sustained security cooperation between the two allies in their counterterrorism/counterinsurgency campaign.

The Philippines and the United States also set up a Security Engagement Board (SEB) in March 2006. The SEB provides the political framework and mechanisms for direct liaison and consultation work to tackle nontraditional security concerns pertaining to but not limited to terrorism, transnational crime, maritime security and safety, and natural and man-made disasters. It proposes joint response activities ranging from consultations and military exercises to humanitarian and disaster relief operations.

Another important arrangement in the alliance is the holding of joint military exercises. Prominent among them are the annual Balikatan (Shoulder-to-Shoulder) military exercises aimed at improving the two allies' combined planning, combat readiness, and interoperability, and to demonstrate American support for the Philippines' external security. This annual military exercise consists of three major components: (1) humanitarian civic action/civil military operations (HCA/CMO); (2) field exercises (FTX); and (3) staff exercises (STAFFEX). Other military exercises include the multilateral Maritime Southeast Asia Exercise for search-and-rescue operations and the bilateral Handa (Readiness) exercises to strengthen military-to-military cooperation in the event of an external attack against the Philippines.

The Military Logistic Support Arrangement (MLSA) of 2002 (renewed in 2007) provides the administrative structure for the provision of

logistic support, supplies, and services between the AFP and the U.S. armed services. The agreement is similar to the U.S. Acquisition and Cross-Servicing Agreement (ACSA) concluded with seventy-six countries all over the world. This agreement allows American forces to source logistics such as food, fuel, ammunition, and equipment from the host state on a reimbursement basis. Thus, it effectively lowers the cost of alliance cooperation by minimizing administrative outlays, and enables both militaries to develop interoperability during joint military exercises, peace-keeping missions, and other multilateral operations under the United Nations.

Another institutionalized effort of the alliance is the temporary deployment of the Joint Special Operation Task Force-Philippines (JSOTF-P) in the southern Philippine island of Mindanao. This small unit of American Special Forces from the U.S. Army, Marines, Navy, and Air Force was formed in 2002 by the Special Operations Command within the U.S. Pacific Command (PACOM) in Hawaii to provide long-term support to the AFP's counterterrorism campaign in Mindanao. The JSOTF-P undertakes humanitarian assistance projects in terrorist-infested villages, extends effective communication support to AFP operations, and shares intelligence and combat experience with selected AFP units through tactical training programs. It is also PACOM's implementing arm in the combined Philippine-U.S. Kapit Bisig (Arm-to Arm), a comprehensive counterterrorism program in Mindanao. This program has three components:⁴⁹ (1) civil military operations (CVO) activities, which include humanitarian assistance (HA) and civil action; (2) AFP capability upgrade through combined security assistance; and (3) combat related operations including air-and-sea evacuation of AFP casualties incurred during combat operations. The success of the Philippine military's Operation Ultimatum against the Abu Sayyaf leadership was largely attributed to U.S. combat service and combat-related support that included intelligence-sharing.⁵⁰ Since 2002,

⁴⁹Mary Abigail S. Austriaco, "Forging Partnership against Terror: The Kapit Bisig Framework," *Rethinking, Philippine-US Relations, OSSS Digest* (2nd and 3rd Quarter 2007): 15.

⁵⁰*Ibid.*, 15.

JSOTF-Philippines has been assisting the AFP in training and intelligence gathering for the Philippine military's counterterrorism and counterinsurgency operations. However, it has recently been reported that the unit's facility in Mindanao will be shut down within months, and this small U.S. contingent will be moved to Palawan where it will establish a U.S. Marine advanced command post that can service American military transport planes and serve as a joint "operational base" for the U.S. and Philippine armed forces.⁵¹

Recently, the Philippines and the United States agreed to conduct an annual bilateral strategic dialogue. The dialogue provides an opportunity for the foreign and defense departments of the two countries "to affirm the strength of the Philippine-U.S. alliance and the dynamic [security] partnership for peace, security, and stability."⁵² In late January 2011, the Philippines and the United States held their first bilateral strategic dialogue to discuss current security challenges to the alliance and identify new areas for cooperation. Assistant Secretary of State Campbell told Filipino officials "that the Obama Administration was committed to boost Philippine military's capacities to patrol its waters as part of a larger goal of keeping Asian sea lanes open."⁵³ The two sides discussed the need to upgrade their capabilities in maritime security through U.S. funding support to the AFP's Capability Upgrade Program (CUP), especially in the acquisition of equipment, the refurbishing and maintenance of existing AFP materiel, and the provision of additional funding of (US\$40 million) for the Coast Watch South to boost the Philippine military's surveillance, communica-

⁵¹See Alexis Romero, "DND Denies Plan for U.S. Command Post in Palawan," *Philippine Star*, September 6, 2012, <http://www.philstar.com/headlines/2012/09/06/845927/dnd-denies-plan-us-command-post-palawan>; Kyodo News Service, "U.S. Mulls Setting Up Marine Command Post in Philippines near South China Sea," *BBC Monitoring Asia-Pacific*, September 4, 2012, <http://www.accessmylibrary.com/article-1G1-301630974/us-mulls-setting-up.html>.

⁵²"U.S. and Philippines to Hold Bilateral Strategic Dialogue," *Targeted News Service*, January 26, 2011, http://manila.usembassy.gov/usph_bilateral_strategic_dialogue.html.

⁵³Sheldon Simon, "Dismay at Thai-Cambodia Skirmishes," *Comparative Connection* 13, no. 1 (April 2011): 53-63.

tion, and interdiction capabilities in the western part of the country.⁵⁴

In a press conference in Washington on February 2, 2011, Assistant Secretary of State Campbell formally announced the U.S. military assistance to the Philippines, specifically “the provision of equipment through excess defense sales, training of elements of their coast guard and navy, and deeper consultations at a strategic, political, and military level.” The first Philippine-U.S. strategic dialogue also formed working groups to explore cooperation in the areas of the rule of law and law enforcement, economics and trade, global diplomatic engagement, and territorial defense and maritime security.

Strategies of Institutionalization

Institutionalization strategy is directed toward minimizing or eliminating the “alliance security dilemma,” particularly the fear of abandonment. This dilemma is partly resolved by the constant flow of communication between or among the allies, expressing their intention to support and strengthen each other. This is what Kim Edward Spiezo described as the process of transforming “alliance inertia into cybernetic-like programmatic response, the content of which reflects those policy instruments that decision-makers find to be familiar and accessible.”⁵⁵

Institutionalizing the Philippine-U.S. alliance involves concerted effort by the Pentagon to extend material and technical assistance to develop the AFP’s military capabilities. The United States’ medium-term goal is to assist the Philippine military in its counterinsurgency/counterterrorism efforts, maritime security concerns, and eventual shift away from internal security to territorial defense. In the long run, the United States hopes that the Philippines can enhance its key strategic interest in

⁵⁴“Philippines-United States Bilateral Strategic Dialogue” (Co-chair’s statement, United States Embassy in Manila, January 27-28, 2011), 10.

⁵⁵Kim Edward Spiezo, *Beyond Containment: Reconstructing European Security* (Boulder, Colo.: Lynne Rienner, 1995), 3.

Southeast Asia—the maintenance of a balance of power that favors U.S. military preponderance in the region.

Undoubtedly, Philippine-U.S. security relations improved dramatically after 9/11. The AFP was granted access to the U.S. military's surplus defense items. More importantly, it participated in several large-scale training exercises with American forces. From 2002 to 2004, Washington provided the AFP with a C-13 transport aircraft, two Point-class cutters, a Cyclone-class special forces landing craft, twenty-eight UH-1H Huey helicopters, and thirty thousand M-16 assault rifles.⁵⁶ Training exercises between the AFP and U.S. armed forces focused on counterinsurgency and counterterrorism warfare, logistics and equipment maintenance, intelligence gathering and sharing, and civic-military operations. The U.S. also trained three Light Reaction Companies to form the AFP's 1st Special Forces Group.

Under the Excess Defense Articles Program (EDA), surplus American military materiel is shipped to recipient states either at a reduced price or free of charge on a grant basis. From 1991 to 2007, the Pentagon, through the EDA program, provided the AFP with a total of US\$117.8 million-worth of essential defense materiel such as M-16 rifles, helicopters, a transport plane, several patrol craft, and even trucks. Through the Foreign Military Sales Credit (FMS) scheme, the Pentagon supplied spare parts for the AFP's V-150 and V-300 armored fighting vehicles and UH-1 helicopters, assorted rifles and squad machine guns, combat life saver (CLS) kits, communication equipment, ammunition for small arms and artillery pieces, night-vision devices, armored vests, and training manuals for combat operations. As mentioned above, U.S. security assistance to the AFP is primarily instructive (e.g., training, technical knowledge, etc.), consultative, and advisory in nature. It focuses on combating terrorism in particular and other internal security challenges (insurgencies and crime) in general. From Manila's perspective, U.S. security assistance is more important than the

⁵⁶Business Monitor International, *The Philippine Defense and Security Report Q2 2006* (London: Mermaid House, 2006), 25.

planned (or aborted) modernization program in terms of refurbishing the AFP's materiel. This is because transferred second-hand U.S. equipment is cannibalized for spare parts to address the AFP's pressing logistics requirements.⁵⁷ Another effort to institutionalize the alliance is a big-ticket defense item called the Coast Watch Project (CWS). It has a two-pronged function—internal and external security. Eventually, the project will provide the AFP with systematic and centralized maritime surveillance and interdiction capabilities in the waters of the southern Philippines.

From Washington's point of view, Philippine-U.S. security ties are evolving, as they are not yet shaped by major broader geo-strategic developments in East Asia. Defense relations between the United States and the Philippines are barely affected by broader changes and security challenges that already have a major impact on the former's bilateral ties with Japan, South Korea, and Australia.⁵⁸ This, however, is changing, as President Aquino has reiterated the need to modernize the AFP because of China's assertiveness in the South China Sea.

When he assumed office in July 2010, President Aquino committed his administration to reviving and supporting the AFP modernization plan.⁵⁹ He ordered his defense secretary Voltaire Gazmin to ensure that the AFP's modernization would be an "instrument" to strengthen the country's military capabilities. In response, Secretary Gazmin vowed to fast track current government and AFP efforts and to harness other sectors of society to generate the necessary funds for the ill-equipped Philippine military. Taking its cue from the president, a joint Department of National Defense-AFP task force formulated the AFP Long-Term Capability Development Plan.⁶⁰ The plan calls for the AFP to make an immediate

⁵⁷Joseph Raymond S. Franco, "Military Assistance: Bane or Boon," *Digest: A Forum for Security and Defense Issues* (2nd and 3rd Quarter 2007): 12.

⁵⁸Robert Karniol, "Pacific Partners," *Jane's Defence Weekly*, August 25, 2007, 20-23.

⁵⁹Delon Porcalla, "Noy to AFP: Defend Democracy," *Philippine Star*, July 3, 2010, 1-8.

⁶⁰Office of the Deputy-Chief-of-Staff for Plans (J-5), *DND-AFP Thrust for Capability Upgrade: The AFP Long-Term Capability Development Plan* (Quezon City: Camp Aguinaldo, 2010).

shift from internal security to territorial defense. Meanwhile, the Aquino administration's AFP Long-Term Capability Development Program provides a modest deterrent capability for territorial/maritime defense. Specifically, it entails the upgrade of the PN's materiel for "joint maritime surveillance, defense, and interdiction operations in the South China Sea."⁶¹ Concretely, the program projects a three-year period (2011-13) of "transition from full mission capable ISO (internal security operation) to territorial defense capabilities."⁶² It conforms to the Aquino administration's program to create a comprehensive but modest border patrol system and not to build any naval war-fighting capabilities.

Certainly, China's conspicuous assertiveness in the South China Sea has caught the attention of the U.S.-Philippine Mutual Defense Board (MDB), the body concerned with the allies' mutual defense against external threats. During the MDB annual meeting on August 18, 2010, the two sides discussed current security challenges such as terrorism, domestic insurgency, and maritime security, and potential flashpoints like the long-drawn-out territorial dispute in the South China Sea.⁶³ The countries agreed to develop the interoperability of their armed services and to improve the AFP's territorial defense capabilities through U.S. military and security assistance.⁶⁴

In July 2011, the MDB focused on the development of a framework for increased bilateral and multilateral maritime security and domain awareness cooperation in the South China Sea. It also scheduled a series of activities to enhance the AFP's maritime/territorial capabilities. Included are maritime security joint exercises to evaluate the interoperability of the U.S. armed forces and the AFP, temporary deployment of U.S. naval/air assets in Philippine territory until the AFP develops its territorial defense capabilities, the establishment of joint support facilities for

⁶¹Ibid., 8.

⁶²Ibid., 9.

⁶³Interview with mid-level AFP officers, Foreign Service Institute, Department of Foreign Affairs, September 17, 2010.

⁶⁴Ibid.

maritime security, increased joint maritime security activities in the South China Sea, and improved sharing of information between the U.S. and the Philippine navies.⁶⁵ The MDB scheduled nearly one hundred military exercises and activities for 2012 to support the Philippines' goal of maritime/territorial defense through enhanced domain awareness and joint operations in the West Philippines Sea.⁶⁶ In August 2011, the Philippines received its first Hamilton-class all-weather cutter from the U.S. Coast Guard through the EDA. At 378 feet (displacement of 3,390 light tons) and combined diesel engines and gas turbines, the Hamilton is the largest and most modern PN ship.⁶⁷ It was commissioned in December 2011 as the BRP Del Pilar and is deployed in the South China Sea to secure the Philippines' energy exploration projects off of Palawan Island.

The two allies held their second bilateral strategic dialogue in Washington, D.C., in January 2012 with the aim of shift[ing] the [security] partnership into a higher gear at a time when the two countries' ties have become broad-based, modern, mature and resilient.⁶⁸ During this dialogue, Philippine foreign affairs and defense officials asked their counterparts for an increased U.S. military presence in the country. They also agreed to streamline the diplomatic clearance process for U.S. military and ships entering the country for joint training and enhanced interoperability.⁶⁹ In return, U.S. officials confirmed the transfer of a second U.S. Coast Guard cutter for the Philippine Navy pending a congressional review, and the provision of advanced officer training and communication equipment to

⁶⁵Philippine-U.S. Mutual Defense Board/Security Engagement Board Co-Chairman, "2011 Mutual Defense/Board Engagement Board Strategic Guidelines," August 16, 2011, 1.

⁶⁶*Ibid.*, 1-5.

⁶⁷"Philippines: Navy Sets Commissioning of Patrol Frigate PF-15 on December 14," *Asia News Monitor*, December 5, 2011, <http://search.proquest.com/907825940/fulltext/135CBD24>.

⁶⁸Jerry E. Esplanada, "2nd Philippine-U.S. Strategic Dialogue Set Next Year," *McClatchy-Tribune Business News*, October 28, 2011, <http://proquest.umi.com/pqdweb?index=1&did=2496704781&Srch>.

⁶⁹Floyd Whaley, "Philippines in Talk to Expand U.S. Military Ties," *International Herald Tribune*, January 27, 2012.

the Philippine Coast Guard.⁷⁰ U.S. support to the Philippines is aimed at helping Manila develop a defensive capability against a perceived or real external security challenge. This involves Washington providing materiel and technical assistance to Manila as it creates a “comprehensive border protection program anchored on the establishment and enhancement of surveillance, deterrence and border patrol capabilities of the Philippine Air Force, Philippine Navy, and Philippine Coast Guard.”⁷¹ In the short run, this will hopefully counter or deter China’s aggressive moves in the South China Sea. In the long run, it will serve Washington’s interest in maintaining a balance of power that tilts in favor of American strategic preponderance in East Asia.⁷²

The Intra-alliance Bargaining Process

Intra-alliance bargaining in the post-Cold War era is a case of redistributing long-term alliance payoffs. This kind of alliance bargaining is not directed toward the allies’ respective contributions to military preparedness against a common enemy. Rather, it centers on the distribution of the alliance’s cost and long-term benefits. The focal point of the Philippine-U.S. alliance’s bargaining process in the post-Cold War era is the reconfiguration of a security relationship that goes beyond the stationing of forward-deployed American forces on Philippine territory. In late 1996, Washington and Manila became engaged in complex negotiations for an agreement detailing the legal guarantees for American servicemen deployed in the Philippines during military exercises and ship visits. It took the allies two years to draft an accord because of frequent deadlocks over thorny issues.

⁷⁰Office of the Spokesperson, “Toward a Deeper Alliance: United States-Philippines Bilateral Cooperation” (Department of State, January 27, 2012), <http://www.state.gov/r/pa/prs/ps/2012/01/182689.htm>.

⁷¹National Security Council, *National Security Policy: Securing the Gains of Democracy* (Quezon City: National Security Council, 2011), 39.

⁷²Strategic and Special Studies Division, “Philippine-U.S. Security Relations in the 21st Century,” *Digest: Office of the Strategic and Special Studies* 16, no. 1 (1st Quarter 2011): 53.

In February 1998, the two allies finally signed a visiting forces agreement (VFA), and in the following year, the Philippine Senate concurred to the treaty. The agreement regulates the circumstances and conditions under which U.S. forces may enter the Philippines for combined military exercises. It also establishes a legal procedure for resolving differences between the two allies regarding the implementation of the agreement. The VFA facilitates large-scale joint exercises which enhance military-to-military cooperation at the staff level, combat readiness, and long-term interoperability.⁷³ The VFA is deemed important to the revival of post-U.S. bases Philippine-U.S. security relations for two reasons: one, it paves the way for the resumption of large-scale military exercises between the two allies' armed forces, and two, it provides the political framework for U.S. involvement in the AFP's program to modernize, and later to upgrade, its military hardware.

The agreement encapsulates the manner in which it was intended that the alliance should continue once the Cold War arrangement of stationing sizeable U.S. air and naval units in the Philippines had ended. The treaty clearly defines the politico/strategic basis of the post-1992 Philippine-U.S. alliance that allows for the temporary deployment of American defense and military personnel for combined military exercises. It also reflects Washington's current and explicit position that it has no need, intention, or desire to have permanent bases in the Philippines such as it had in the past.

Nevertheless, in the face of the South China Sea dispute, there is a need to clarify U.S. commitment to Philippines defense and security as provided by the 1951 Mutual Defense Treaty. Since June 2011, the Philippines has been asking for unequivocal U.S. commitment to ensure the security of its naval/air units deployed in the Spratlys. Philippine officials argue that an armed attack on Philippine metropolitan territory or Philippine forces anywhere in the Pacific, including the South China Sea, should trigger an automatic U.S. armed response. The 1951 MDT, however, does

⁷³Raymond G. Quilop, "Revisiting the Visiting Forces Agreement," *Digest: A Forum for Security and Defense Issues* (2nd and 3rd Quarter 2010), 17-18.

not provide for any automatic response to armed confrontation from either party since it only requires the parties to consult each other and determine what military action, if any, the other party should take.

Secretary Clinton reaffirmed U.S. defense commitment to the Philippines at a time when tensions between Manila and Beijing over the disputed Spratlys were rising.⁷⁴ During her June 2011 meeting in Washington with the Philippine foreign affairs secretary, Clinton announced that the United States would honor both its mutual defense treaty and its long standing strategic alliance with Manila. In November 2011, she reiterated the promise of U.S. support to the Philippines on board the USS *Fitzgerald* when she called for the updating of the defense treaty to allow for “greater support for external defense, particularly maritime domain awareness.”⁷⁵ Clinton could not, however, comment on what the United States would do if China attacked a Philippine ship or aircraft in the South China Sea.⁷⁶ In July 2011, Senator Jim Webb of Virginia asked the State Department to clarify U.S. treaty commitments to the Philippines. Again, the State Department did not issue any clarification on the matter.⁷⁷ Current U.S. policy remains ambiguous on the nature of its treaty commitment. Likewise, it stops short of making any reference to an automatic response in the case of an armed conflict in the South China Sea. Instead, it emphasizes that since the United States is a treaty ally of the Philippines, “China cannot simply assert that events in the disputed South China Sea are not any of Washington’s business.”⁷⁸

⁷⁴David Gollust, “Clinton Reaffirms U.S. Commitment to Philippines Amid Islands Dispute,” *Voice of America News*, June 23, 2011, <http://www.voanews.com/content/clinton-reaffirms-us-commitment-to-philippines-amid-islands-dispute--124456879/167656.html>.

⁷⁵Sheldon Simon, “U.S.-Southeast Asia Relations: Rebalancing,” *Comparative Connections* 11, no. 3 (January 2012): 53-62, <http://csis.org/files/publication/1103qus-seaia.pdf>.

⁷⁶*Ibid.*, 2.

⁷⁷“Senator Webb to State Department: Clarify U.S.-Philippines Mutual Defense Treaty Commitments: China’s Use of Forces against the Philippines ‘Especially Troubling,’” *Congressional Documents and Publications*, July 20, 2011, <http://proquest.umi.com/pqdweb?index=117&did=2404070041&Sr>.

⁷⁸Sheldon Simon, “U.S.-Southeast Asia Relations: Deep in South China Sea Diplomacy,” *Comparative Connections* 13, no. 2 (September 2011): 55-66.

Table 1
Transforming the U.S.-Philippine Alliance, 1991-2012

Alliance Components	1991-2008 (post-Cold War)	2009-2012
Reformulation of the alliance's <i>raison d'être</i>	From China's assertive moves in the South China Sea to counterterrorism.	Facing up to the changing nature of the China challenge in the South China Sea by developing the Philippines' maritime/territorial defense capabilities.
Institutionalization	Convening of Mutual Defense Board and Formation of Security Engagement Board; Military Exercises under a visiting forces agreement (VFA); Mutual Logistic Support Arrangement; Joint Special Operation Task Force-Philippines.	Formation of Philippine-U.S. Bilateral Strategic Dialogue.
Hegemonic prerogative	Forming a global coalition against international terrorism	From hedging strategy to policy of constraint against an assertive China.
Strategies of institutionalization	Joint efforts to improve AFP's counterterrorism capabilities	Joint efforts to develop AFP's territorial defense capabilities. Focus on bilateral security cooperation in developing a framework for bilateral and multilateral maritime security and domain awareness cooperation. Build-up of Philippine maritime security capabilities.
Intra-alliance bargaining	The long and tedious two-year negotiation and signing of the VFA, which provides the legal basis for the temporary deployment of American defense and military personnel for military exercises without the permanent stationing of U.S. troops.	Clarification of U.S. commitment to assist the Philippines in the event of a Chinese attack in the South China Sea.

Conclusion

Since 2009, the Philippine-U.S. alliance has been transformed in response to the tension generated by the South China Sea dispute. Alarmed by China's realpolitik approach to resolving the dispute, the two allies found it necessary to reconfigure their security relationship, which had initially been aimed at countering terrorist/insurgent groups in the Philippines, to one that is designed for maritime/territorial defense. The components of the alliance and its transformation from 2001 to 2011 are summarized in table 1.

China's emergence and its efforts to control the South China Sea present the Philippines and the United States with a long-term, complex, and enigmatic security challenge. Simply revitalizing, strengthening, or transforming the Philippine-U.S. security alliance may not be sufficient in the long run. Thus, this alliance needs to be linked to other U.S. bilateral alliances in the Asia-Pacific/East Asia (U.S.-Japan, U.S.-South Korea, and U.S.-Australia). A coordinated four-way partnership will result in the convergence of views and well-thought-out alliance policies. These policies can foster a loose association of American allies in the Asia-Pacific that will pursue shared interests and values. Most certainly, this loose association cannot solve all the security challenges in the Asia-Pacific region. Nevertheless, it can goad the Asia-Pacific allies to participate actively and increase their responsibility for managing the region's security. More importantly, it can ensure that the United States remains the guarantor of security, regional balance of power, and democratic values in the Asia-Pacific in the twenty-first century.

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