

The Philippines' diplomatic strategy toward the US and China: From theory to reality



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Abstract China and the Philippines have a long history of relations. This relationship has developed and achieved many significant milestones despite many ups and downs. China's rise began approximately 2010 when it surpassed Japan to become the world's second largest economy after the United States. This has drawn the attention of countries in the region seeking opportunities from China's development. Moreover, to realize its strategic ambitions as a great power in the 21st century, China had to set strong goals, with the economy as the driving force behind all development activities. The Philippines, a neighboring country with many characteristics suitable for China's political, economic and diplomatic goals, became an important factor in China's rise. In implementing a policy of closer relations with China, the Philippines could not ignore the influence of the United States. The Philippines is one of the United States' Asian allies, along with Japan, South Korea and Australia, and is a driving force behind the United States' policy of increasing dominance in the Asia-Pacific region. This article will focus on the impact of the United States on China and the Philippines, as well as the process of Philippine–China relations in many fields, with a focus on politics–diplomacy, economy and security–defense in the first two decades of the 21st century.

Keywords: United States, China, Philippines, 21st century, international relations

1. Introduction

In the 21st century, the world order faced rapid and unpredictable changes due to the strong rise of emerging powers such as China, Russia, and India (Kiet et al., 2024). Therefore, the dynamics between the great powers and their interactions with smaller countries have undergone significant changes in line with the new situation (Tolentino & Ham, 2015). In Southeast Asia, the Philippines is one of the countries in which the United States (US) and China are particularly interested amid the increasingly intense US–China competition (Baviera, 2016). Therefore, the Philippines had to find a way to adjust the complex network in its diplomatic, economic and security relations with the two most influential global powers on this country's foreign policy—the US and China (Balboa, 2020). This study aims to provide a comprehensive analysis of the Philippines' policy toward these two superpowers from 2001 to 2021, a period marked by changes in the global balance of power and the emergence of a multipolar, multicentric world order.

The US, a traditional military ally of the Philippines, played an important role in shaping this country's foreign policy and security posture throughout the 20th century (De Castro, 2009). However, with the rise of China as the world's second economic and military power in the 21st century, the Philippines faced the challenge of balancing its relations with these two major powers (De Castro, 2019). China's increasing assertiveness in the East Sea in its sovereignty disputes with the Philippines over islands and reefs, coupled with economic might and the appeal of the Belt and Road Initiative (BRI), has brought both opportunities and challenges for the Philippine government (Winger, 2023).

This study examines the complex interplay of factors that influenced the Philippines' policy decisions toward the US and China during the period from 2001 to 2021. It delves into the ever-changing dynamics of the region, the impact of changing leadership, and the evolving strategies employed by each country to assert its influence. By analyzing the political, economic, and security aspects of these relationships, this study aims to shed light on the complexities and nuances that have shaped the Philippines' position within the larger geopolitical context. Moreover, this research seeks to contribute to the broader discussion on the realignment of power dynamics in the Asia–Pacific region and the implications for small countries and political entities caught between major power rivalries, such as Vietnam, Ukraine, and Taiwan. By understanding the Philippine experience, this paper provides valuable insights into the challenges and opportunities faced by countries as they adjust their foreign policies amidst great power competition.



2. Literature Review

The trilateral relationship between the US, the Philippines, and China in the 21st century has become a valuable research topic regarding the political security situation in Southeast Asia. Therefore, this paper will refer to relevant research and sources on the Philippines' foreign policy toward the US and China from 2001 to 2021, focusing on the political, economic, security, and defense aspects of these relationships.

2.1. *The Philippine–US alliance*

The close defense partnership between the Philippines and the US has been extensively studied and analyzed, becoming a research topic explored by scholars around the world from various angles. Among them, Winger (2023) examined the historical context and development process of the Mutual Defense Treaty signed in 1951 and the Visiting Forces Agreement signed in 1998. From there, the study affirmed that the continued vitality of the US–Philippine alliance stemmed not from dissatisfaction with China or the personal relationship between Rodrigo Duterte and Donald Trump but from the fundamental institutional relationship formed over many decades in defense cooperation. Specifically, the institutionalized cooperation within the alliance has fostered strong support for the alliance within key organizations within the Philippine government. This case not only highlights the development of the Duterte administration but also illustrates the broader potential of alliances in addressing political rifts by building support within the national bureaucracy. Additionally, Stepanov (2022) provides an in-depth strategic analysis of the US' approach to Southeast Asia from the Obama administration to President Joe Biden. The study emphasizes that the US pivot to the Asia–Pacific region has had profound impacts on US–Philippine defense cooperation, requiring the Philippine government to make appropriate adjustments to its foreign policy after a long period of President Rodrigo Duterte pursuing a friendly cooperation policy with China. Furthermore, Willoughby and Medillo (2020) studied the challenges and tensions within the alliance between the US and the Philippines during President Rodrigo Duterte's tenure. The overly friendly actions of the Philippine government were met with opposition from the US, creating tensions in bilateral political relations. However, the two countries' defense relations continued to be maintained despite political differences.

2.2. *The economic relations of the Philippines with China and the US*

Several studies have analyzed the economic relations between the Philippines and these two major partners, which are seen as important driving forces influencing the Philippines' foreign policy toward China and the US. Baviera (2012) investigated the development of trade and investment between the Philippines and China, especially after the establishment of the Association of Southeast Asian Nations (ASEAN)–China Free Trade Area. The study argued that China's economic rise led to a positive shift in bilateral relations despite the tensions in the East Sea. Additionally, Torio and Doytch (2023) studied the role of the US as a major export market and investor in the Philippines for many years. The study affirmed that the US has always been the Philippines' leading and irreplaceable trade partner in its economic security policy. Furthermore, De Castro (2019) compared the economic opportunities and challenges that China's BRI and the potential for economic cooperation with the US offer to the Philippines.

2.3. *The East Sea dispute and security in Southeast Asia and the Asia–Pacific region*

The long-standing dispute in the East Sea has been an important factor in the Philippines' relations with China and the US. Pemmaraju (2016) analyzed the legal and diplomatic implications of the 2016 arbitration ruling in favor of the Philippines. However, the United Nations Convention on the Law of the Sea (UNCLOS) has little basis for resolving issues of sovereignty and related issues of overlapping rights at sea. Additionally, Southgate (2019) studied China's sovereignty claims and militarization efforts in the region. China's actions have heightened geopolitical tensions with countries involved in sovereignty disputes in the East Sea, such as the Philippines, Vietnam, and Malaysia. At the same time, Macaraig and Fenton (2021) discussed the US' involvement in this dispute, including supporting the Philippines' position and providing freedom for navigation patrols.

2.4. *Adjustments in the Philippines' foreign policy towards the US and China*

Some scholars have studied adjustments in the Philippines' foreign policy in response to the changing world order and the rise of China. Velasco and Song (2023) analyzed the shift toward a more independent and balanced approach under President Duterte while also investigating the factors influencing the balancing strategy of the Philippines between the US and China. The research suggests that many actions considered "bold" in the Duterte administration's foreign policy could also be viewed as pragmatic. This is because these actions were believed to better serve the regime's short-term objectives. While the alliance with the US largely remained intact, the Duterte administration emphasized its success in stabilizing Philippines–China relations. Additionally, Magcamit (2021) discussed the challenges and opportunities for the Philippines in dealing with the strategic competition between these two powers. The study argued that President Duterte pursued a China-centric policy (in contrast to the US-centric policy) shaped by beliefs and emotions, which are powerful motivators of human behavior and have a significant influence on the motives, decisions, and actions of the foreign policy of any national leader.

The above literature review, including key research and sources related to understanding the complex dynamics of the Philippines’ relations with the US and China in the political, economic, security, and defense domains, provides a foundation for further analysis and discussion in this research paper. However, through reviewing these sources, it is evident that there are many studies on individual aspects of the Philippines’ relations with the US and China, but there is still a lack of comprehensive, holistic studies simultaneously examining the political, economic, and national security factors throughout the 2001–2021 period under the impact of the global power shift. Therefore, this paper will attempt to fill this gap. This paper will provide an updated perspective and comprehensive analysis of the policy of a small but important country in the context of strategic competition between two superpowers. In doing so, it will contribute to a deeper understanding of the issue of policy adjustments of small countries among larger countries, the issue of balancing, and the importance of various factors in shaping foreign policy. This paper contributes new insights to the field of international relations and foreign policy research in the Asia–Pacific region. The findings will help policymakers and scholars better understand the dynamics and important features of how small countries adjust their policies to respond to shifts in the balance of power between great powers.

3. Analytical Framework

Based on Putnam’s (1988) “two-level game” theory, this paper proposes an analytical framework on the relationship between factors influencing the implementation of the Philippines’ foreign policy toward the US and China during the 2001–2021 period (see Figure 1):

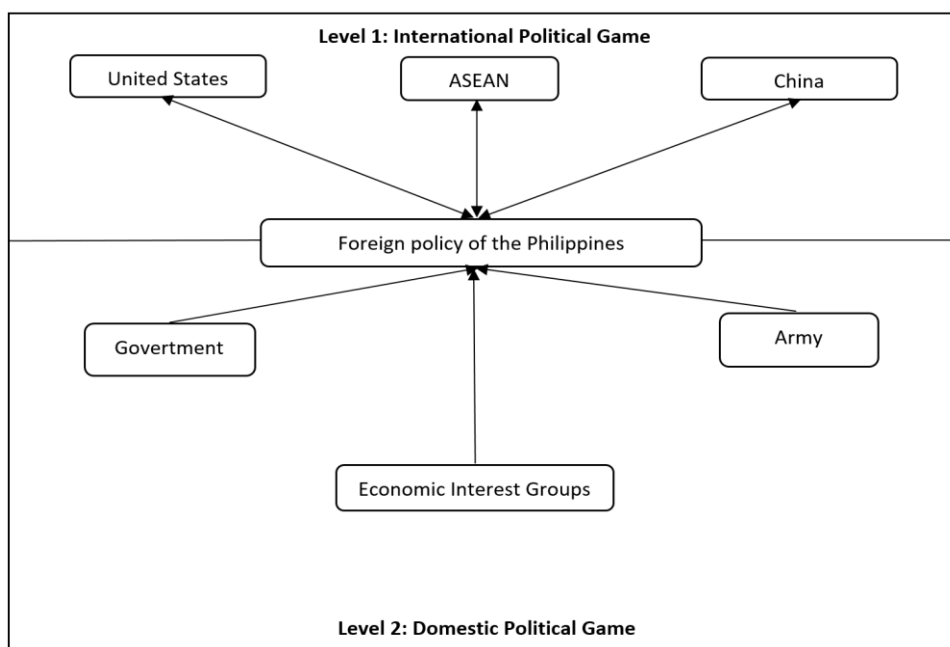


Figure 1 Analytical framework of the Philippines–US–China relationship according to Robert Putnam’s “two-level game” theory.

Figure 1 clearly illustrates the complex interaction between domestic and international factors in shaping the Philippines’ foreign policy toward the two powers, the US and China. At the domestic level, key interest groups such as the government, military, and economic interest groups all have their own distinct goals, interests, and priorities. These priorities often differ and are sometimes even contradictory, creating competition and power struggles in charting the foreign policy direction that best aligns with their group’s interests. At the international level, the Philippines faces two major power centers—the US and China—along with regional organizations such as the ASEAN. Both the US and China have their own strategies to increase their influence and position in the Asia–Pacific region, where the Philippines is a strategically important country. Moreover, the ASEAN also has common principles and interests as a bloc for maintaining peace and stability and promoting economic cooperation in the region. The Philippines’ ultimate foreign policy toward the US and China will have to balance the different interests of domestic groups while also considering the influences and pressures from international parties. This process requires Philippine policymakers to engage in continuous negotiations, deliberations, and adjustments to achieve a policy that not only protects national interests but also maintains good relations with both the US and China amid intensifying regional power competition.

4. Methodology

This study employs a qualitative research method, primarily utilizing a combination of methods such as historical and logical methods, policy analysis methods, and case study methods through secondary data sources to comprehensively



examine the Philippines' policy toward the US and China from 2001 to 2021.

First, historical and logical methods aim to establish a comprehensive understanding of the Philippines' foreign policy decisions. A historical analysis is conducted by tracing the development of the Philippines' relations with the US and China and examining significant events, diplomatic exchanges, and shifts in bilateral dynamics throughout the study period. By analyzing the historical context, this study aims to identify the underlying factors, drivers, and geopolitical considerations that have shaped the Philippine government's strategic decisions.

Second, the policy analysis method is employed to dissect the various initiatives, agreements, and policy frameworks governing the Philippines' engagement with the US and China. This includes examining official policy documents, joint statements, and cooperation agreements across various domains, such as diplomacy, trade, investment, security, and defense. Through this, the study seeks to uncover the strategic objectives, priorities, and underlying rationales behind the Philippines' policy decisions toward these two powers.

Third, the case study method is utilized to provide in-depth assessments of specific events, incidents, or critical issues that have significantly impacted the Philippines' policy toward the US and China. Typical case studies may include territorial disputes, economic agreements, security arrangements, or diplomatic crises.

By closely examining these cases, this study aims to explore the decision-making processes, negotiation dynamics, and interplay of various factors that influence the Philippines' strategic choices. By combining these research methods, this paper seeks to provide a comprehensive understanding of the Philippines' policy toward the US and China during the 2001–2021 period by addressing the following three research questions:

- (1) What factors prompted the Philippines to adjust its foreign strategy in the face of the changing world order at the beginning of the 21st century?
- (2) How did the US' strategic adjustment impact Philippines–US relations in the political, economic, and security and defense domains?
- (3) What were the drivers behind the Philippines' increasing inclination toward China, and what were the salient features of Philippines–China relations during the 2001–2021 period?

5. Results

5.1. *The Philippines' Strategic Adjustment in Response to Changes in the World Order*

The Philippines is one of the countries most affected by the ongoing restructuring of the regional order. The Philippines was once a disappointing ally of the US when it decided to close the US military bases on its territory in 1991. However, during the period of 2009–2010, China increased its military pressure in the East Sea, forcing the Philippines to rekindle its traditional relationship with the US. Contrary to China's expectations at the time, the Philippine government and people reacted strongly to China's aggressive behavior. Since colonial times, the issue of nationalism has always been a sore point in Philippine society; therefore, President B. Aquino decided to take China to the International Arbitration Court (Pemmaraju, 2016). The shift in the regional power structure due to the relative decline of US global power and the strong rise of China forced the Philippines to adjust its policies to adapt to a new emerging regional order (Baviera, 2016).

After the Cold War ended, the US had many advantages and ambitions to establish a unipolar world, and they succeeded in the period from 1991 to 2000 (Sorensen, 2006). However, as the world entered the early years of the 21st century, multipolarity trends began to form and develop continuously, and the global economic structure began to shift from the West to the East (Peters, 2022). A typical example of this process is the rise of China, which became the world's second-largest economy after the US. Additionally, many other countries, such as Japan, are playing an increasingly important role and dominating power in international relations. Although after 2010, Japan's economy ranked third in the world, Japan remains an economic powerhouse and one of the economic and political centers of the Asia–Pacific region; this country's role and voice remain strong on the political chessboard (Jeong & Grix, 2023). Furthermore, many countries, such as India, South Korea, and Singapore, have maintained growth rates far higher than the global growth rate, which is also a factor that changed the global situation in the first two decades of the 21st century.

The development trend of globalization has caused relations between countries to progress in two directions—cooperation and competition—to create interdependence (Goryakin et al., 2015). On the other hand, issues of globalization and traditional and nontraditional security have become more complex, with opportunities intertwined with challenges, and major powers not only increasing cooperation but also fiercely and directly competing, causing rifts in many relationships within the international relations system, especially between China and the US. Therefore, a reasonable approach to mitigating the risks and negative aspects of the globalization trend has also raised many issues for the governments of countries in formulating foreign policies appropriate to the world's development trends, especially in the context of changes in the US order on the international stage. As the 21st century began, countries, both large and small, started to make strategic adjustments in their international cooperation and adjust their foreign policies in line with the development of human history in the new era (Kiet & Tuyen, 2023). It is peaceful international relations that have helped countries connect and cooperate for economic development and national prosperity. This shows that the new world is no longer formed by the imposition of national interests

or interest groups; rather, agreement, recognition, respect for freedom, democracy, peace, and prosperity are the foundation of the world in the new context (Schneider, 2013). In that stream, the Philippines was one of the pioneering countries in adjusting its foreign policy to strengthen international integration cooperation, especially with China and the US, as it entered the early years of the 21st century.

Faced with the new global context, as the world entered the 21st century, intercontinental organizations such as the Asia–Europe Meeting (ASEM), Asia–Pacific Economic Cooperation (APEC), and ASEAN have continuously strengthened and improved their cooperation content to promote countries' increased economic development. ASEM is an informal dialog and cooperation forum that brings together 53 partners across Europe and Asia, accounting for approximately 65% of global GDP, 60% of the global population, 75% of total global tourist arrivals, and 68% of global trade (Asia – Europe Meeting, 2021). The main purposes of ASEM include i) promoting political dialog to further enhance mutual understanding and convergence of views between the two continents on the world's political and social issues, ii) building comprehensive and in–depth partnerships between the continents of Asia and Europe to promote trade and investment exchanges among member countries, and iii) enhancing cooperation in the fields of science and technology, environment, human resource development, etc., to create sustainable growth in both Asia and Europe (Asia – Europe Meeting, 2021). Moreover, APEC is a regional economic forum established in 1989, with 21 members, accounting for approximately 52% of the world's land area, 59% of the population, and 70% of natural resources, and contributing approximately 55% of the global GDP and nearly 43% of global trade (Asia–Pacific Economic Cooperation, 2024). APEC's primary goal is to enhance regional prosperity by fostering economic growth that is equitable, comprehensive, environmentally responsible, forward-thinking, and resilient. Additionally, the organization aims to expedite the process of economic integration among its member countries in the Asia-Pacific area (Asia–Pacific Economic Cooperation, 2024). At the Southeast Asian regional level, ASEAN has also made new developments, particularly in establishing the ASEAN Economic Community (AEC), which is one of the three main pillars of the ASEAN Community established in December 2015. The other two pillars are the ASEAN Political Security Community (APSC) and the ASEAN Socio–Cultural Community (ASCC). The goal of the ASEAN Economic Community is to enhance economic cooperation and development among ASEAN countries, including i) establishing a single market and production base, ii) building a competitive economy, iii) achieving equitable economic development, and iv) integrating into the global economy (Association of Southeast Asian Nations, 2024). As a member of the ASEM, APEC, and ASEAN, the Philippines has had the opportunity to participate extensively in the process of regional and global economic integration. To achieve this goal, the Philippines has actively diversified and multilateralized its foreign relations. In addition to actively participating in forums such as APEC, ASEAN, and ASEM, the Philippines has also strengthened bilateral cooperation with major economic partners (Winger, 2023). Signing free trade agreements with major partners has opened up new opportunities for Philippine businesses to access large global markets.

The process of globalization has created both opportunities and challenges for developing countries such as the Philippines. On the one hand, it facilitates the narrowing of the development gap, access to advanced technologies, and attraction of investment from developed countries. However, the rapid pace of globalization also requires countries to have the ability to adapt flexibly and improve the quality of their human resources to effectively utilize new technologies (Schneider, 2013). In this complex international environment, where traditional and nontraditional security issues are intertwined and fierce competition between powers such as the US and China has caused rifts in many relationships within the international relations system, flexibly adjusting foreign policy, diversifying, and multilateralizing cooperative relationships is necessary for the Philippines to adapt to the new context and promote economic development. Under President Rodrigo Duterte, the Philippines made significant adjustments in its foreign policy, loosening ties with the US and strengthening economic cooperation with China by building cooperative mechanisms, attracting investment, and promoting trade exchanges (Magcamit, 2021). This reflects the Philippines' efforts to seize opportunities from the rise of China—one of the main economic drivers in the region and globally. Despite some disputes in the East Sea, the Philippines and China have shown promise in restraining and peacefully resolving differences in sovereignty disputes over islands and reefs. Both sides recognize the importance of maintaining peace and stability in the region to promote economic development. This reflects the global trend of prioritizing economic cooperation and dialog over military confrontation.

In summary, strengthening economic, political, social, security, and cultural linkages between continents and regions through various cooperation mechanisms has created an important premise for inviting countries to participate in the global economy. For small countries such as the Philippines, this is also a good opportunity to assert the country's position on the international stage. Furthermore, through economic cooperation forums, the Philippines can easily attract investment from other countries, such as the US, China, Japan, and South Korea. However, to adapt to rapid changes in the new global situation, the Philippines must “flexibly” adjust its foreign policy toward diversification and multilateralization and actively participate in international events and deepen its integration with developed countries, especially China and the US, to promote economic growth and infrastructure development. From the above analysis, it can be seen that with the continuous movement of the world, and as a result of the process of globalization and international integration, the world is moving toward a state of peace, and economic development cooperation is a top priority in driving the Philippines toward prosperity.

5.2. Adjustment of the US Strategy and its Impact on the Philippines–US Relationship

5.2.1. Adjustment of the US strategy

The Philippines–US relations originated in 1898 when the Philippines allied with the US against the Spanish colonizers who had ruled the Philippines for more than 300 years. Control over the Philippines was ceded to the US through the Treaty of Paris signed on December 19, 1898. With this treaty, the US would rule over the new colony of the Philippines, and from then on, the Philippines would become an important strategic area for the US in the Asia–Pacific region (Banlaoi, 2002). The US–Philippines relationship is based on strong historical and cultural ties and a shared commitment to democracy and human rights. After gaining independence in 1946, the Philippines became a close ally of the US. The 1951 US–Philippines Mutual Defense Treaty laid a solid foundation for a robust security partnership in the post–World War II era. This close relationship opened up opportunities to engage in a wide range of bilateral, regional, and global issues (US Department of State, 2023).

After the end of the Cold War, the US paid less attention to Southeast Asia, and the US reverted to unilateralism, withdrawing troops from the “Clark” and “Subic” military bases (1992) and creating a power vacuum in Southeast Asia. This allowed China to increase its influence in the region through activities related to the East Sea. China’s moves to increase its influence in the East Sea region directly threatened the interests of the Philippines and challenged US power in this area (Tan & Trang 2013, p. 13). However, after the events of September 11, 2001, and in conjunction with the launch of the Global War on Terror, the US implemented a policy of “Americanizing the world” to maintain its preponderant power advantage (Ito & Lee, 2005). With the goal of countering terrorism becoming the top priority, the US exploited the issue of counterterrorism and weapons of mass destruction to launch preemptive strategic strikes, influencing many areas such as economics, trade, and democracy through various measures. To achieve this goal, the US redeployed troops to many strategic regions around the world, including Southeast Asia and the Philippines (Lan, 2018). In this context, China’s growing influence in this region has caused greater US concern. To avoid losing its influential role in Southeast Asia, the US made this region the second front in the global war on terror. The US proposed “*encouraging cooperation with partners in the region to implement coordinated efforts to constrain, tighten and isolate terrorist groups*” (White House, 2006).

Correspondingly, the US deployed a series of bilateral and multilateral cooperation activities with ASEAN countries. In particular, the US increased training and support for the Philippine military in combating armed insurgent groups. According to Philippine data, in 2001, the US provided \$30.08 million in aid to the Philippines, and this figure rose to \$94.5 million in 2002 (Lan, 2018). These figures show the US’s determination to achieve its counterterrorism goals and other security–related issues in Southeast Asia. To strengthen the US–Philippines relationship and US dominance in regional security issues, in 2003, the US declared the Philippines a major non–NATO ally. From 2008 onward, the US implemented its “pivot to Asia” policy, making the Asia–Pacific region a focus, and the Philippines received increasing attention (Stepanov, 2022). This was also a period when China intensified activities to strengthen and defend its sovereignty claims in the East Sea, threatening the oil and gas operations of US oil companies, as well as the economic interests of the US economy.

Since taking office, the Obama administration has made strategic rebalancing to the Asia–Pacific region a focus of its efforts to change US foreign policy. Although this approach has been the subject of heated debate since its inception, it has achieved some successes and certainly brought benefits. Most importantly, it has increased the US’s strategic presence and influence in the Asia–Pacific region, placing some constraints on China’s rise (Zhao, 2018). Enhancing military cooperation with the Philippines to gradually counter China’s expansionist ambitions in the East Sea has made the Philippines–US relationship even stronger. However, since President Duterte took power in the Philippines and implemented a “pro–China” policy and loosened relations with the US, the political relationship between the two countries began to become tense. Under President Donald Trump, the US pursued an “America First” policy and reduced its attention to Southeast Asia. Therefore, the political relationship between the Philippines and the US remained tense throughout President Donald Trump’s term. During President Joe Biden’s term, the political relationship between the Philippines and the US tended to thaw as the US began to pay attention to Southeast Asia again, and the US took steps to mend ties with the Philippines to strengthen the alliance between the two sides.

5.2.2. Impact on the Philippines–US relations

5.2.2.1. Political–Security relations

While promoting comprehensive cooperation with China, the Philippines still needs to ally with the US. Although relations with the US went through a tense period in the final months of President Obama’s term, they were quickly “restored” during President Donald Trump’s tenure. The phone call between US President Donald Trump and Philippine President Rodrigo Duterte on April 29, 2017, was considered “very good”, and the alliance between the two countries was on the right track (Demi, 2017). When Duterte met Trump in Manila in November 2017, the US avoided criticizing the Philippine leader. Donald Trump seemed to “ignore” the extrajudicial killings in Duterte’s anti–drug campaign. At the same time, Philippine President Duterte announced that the Philippines would continue to cooperate and coordinate with the US after Donald Trump appointed a new Secretary of State, Mike Pompeo. This quickly “warmed up” relations between the two countries, and both sides actively promoted comprehensive bilateral relations.



Although political and diplomatic relations between the Philippines and the US have sometimes been tense, security and defense ties have continued to be strengthened. As two countries with shared culture, national interests, and security concerns, the US remains the most important factor in the Philippines' national security strategy. The longstanding Philippines–US alliance is bound by key pillars: (1) the 1951 Mutual Defense Treaty (MDT), which stipulates that the two sides will protect and defend each other if one side is attacked by foreign forces; (2) the Visiting Forces Agreement (VFA) signed in 1998 and effective in 1999; and (3) the Enhanced Defense Cooperation Agreement (EDCA) signed by US President Barack Obama and his Philippine counterpart Benigno Aquino III in 2014, allowing the US military to use 05 military bases on the Philippine territory. These agreements provide the legal basis for thousands of US troops and assets to rotate through the Philippines and allow the armed forces of the two countries to conduct annual joint exercises, organize military training, and deploy humanitarian assistance, among others. According to 2021 statistics, the US military performs approximately 300 such activities per year in this Southeast Asian country, including visits by warships (Phuong, 2021).

The period 2001–2010 was a time of revival after a period of strain. The 9/11 events and the US launch of the global war on terror received a positive response from the Philippines. In 2003, the US regarded the Philippines as an important non–NATO ally. The US increased support for the Philippines through the International Military Education and Training (IMET) Program Agreement and the Logistics Support Agreement signed in November 2002. The two sides stepped up annual military exercises to raise maritime awareness and combat the Abu Sayyaf terrorist group. However, security and military relations between the Philippines and the US during this period were mainly focused on counterterrorism, as Philippines–China relations developed strongly, considered a golden period (2005 – 2009) in relations between the two countries, and the US did not truly pay attention to Southeast Asia. The period 2010–2016 was a flourishing time in Philippines–US relations in general and security and military relations in particular. In 2010, the new Philippine President B. Aquino was seen as a pro–US leader. His term also coincided with the US implementing its “pivot to Asia” policy. However, from 2016 to 2021, security and military relations between the Philippines and the US declined. After taking office (October 2016), President Duterte adjusted his foreign policy toward balancing relations with major powers, especially China. The Philippines moved past the freezing period with China, which began after the Scarborough incident, to seek closer economic cooperation. Conversely, Philippines–US relations, including security and military cooperation, tended to decline. President Duterte made rude remarks about the US Ambassador to the Philippines and frequently criticized US policies since he took power in the Philippines in 2016. The two countries' political relations showed signs of thawing when President Joe Biden took office in 2021 and paid special attention to Southeast Asia. In particular, when the Philippines and China clashed in the East Sea, President Duterte had to take steps to restore relations with the US due to pressure from military and domestic nationalism.

5.2.2.2. *Economic relations*

The Philippines seems to be seeking to restore closer economic ties with the US. This change aimed to balance the Philippines' increasing economic dependence on China. In October 2017, the Philippine Department of Foreign Affairs stated that it was “seeking to boost economic cooperation” to improve relations with the US, while the Philippines also said that stronger economic ties would “transcend security issues” (Jennings, 2017). In 2019, the Philippines recognized the interest of the US in extending the Philippines' tariff rates on certain agricultural products. The Philippines committed to carefully considering applications for such tariff extensions. Additionally, the Philippines passed a law on February 14, 2019, converting rice import quotas to tariffs and replacing quantitative rice import restrictions with tariffs (US Trade Representative, 2021). On June 13, 2019, President Duterte signed the Executive Order 82, setting tariff rates of 5% for mechanically deboned chicken and 20% for frozen whole chicken from 2019–2020 to maintain preferential tariff rates under the 2014 agreement with the US (US Trade Representative, 2021).

2020 marked strained political relations between the Philippines and the US. In January 2020, the US revoked the visa of Senator Roland dela Rosa, a former Philippine police chief, over issues related to the bloody anti–drug campaign launched by President Duterte, which was internationally condemned (Sifton, 2020). In retaliation against US actions, President Duterte took several retaliatory measures against the US on multiple fronts. Economically, the Philippines temporarily suspended the issuance of SPS import permits for rice and agricultural products such as grapes, potatoes, corn, and poultry, causing difficulties for US exporters. As a result, bilateral economic relations in 2020 declined to only \$17 billion compared to \$19.6 billion in 2019 (see Table 1). In 2021, the US–Philippines political relationship showed signs of thawing after President Duterte reinstated the Visiting Forces Agreement (VFA) following the visit of the US Defense Secretary Lloyd Austin on July 29. Consequently, bilateral economic and trade relations showed signs of recovery, reaching \$19.6 billion (see Table 1). The US was the fourth–largest important trading partner of the Philippines in 2021. Bilateral trade relations between the two countries can be considered relatively stable in recent years, with the trade balance always in favor of the Philippines (see Table 1).

The US is one of the leading foreign investors in the Philippines. In 2021, the US invested \$5.36 billion in FDI in the Philippines, a significant increase from \$3.92 billion in 2020 (Paderon, 2022). The flow of US foreign direct investment into the Philippines reflects efforts to improve economic relations between the two countries after the period of tension in 2020. However, US economic aid to the Philippines has faced some difficulties in the past. In 2016, the US government halted plans to sell 26,000 artillery rounds to the Philippines and cut \$9 million in drug–control aid after criticizing Duterte's anti–drug



campaign. However, experts also suggest that pressure from military and public opinion could force Duterte to try to strengthen ties with the US, the Philippines' long-term strategic partner (Jennings, 2017). Nevertheless, the Philippines–US economic relationship still faces some challenges. The Philippines is trying to attract more foreign direct investment from the US, especially in manufacturing, information technology, and services. The two sides are also seeking to further expand trade relations through negotiations for a bilateral free trade agreement. However, this process has faced difficulties due to disagreements over political issues under President Duterte.

Table 1 Philippines–US Exports and Imports from 1993 to 2021.

Year	Export	Import	Total trade turnover	Balance of trade
1993	4.371.159	3.522.267	7.893.426	848.892
1994	5.143.260	3.941.268	9.084.528	1.201.992
1995	6.159.655	5.014.293	11.173.948	1.145.362
1996	6.965.613	6.362.319	13.327.932	603.294
1997	8.814.602	7.154.028	15.968.630	1.660.574
1998	10.097.860	6.560.209	16.658.069	3.537.651
1999	10,445,464	6.365.149	16.810.613	4.080.315
2000	11.365.314	6.411.214	17.776.528	4.954.100
2001	8.979.610	6.410.716	15.390.326	2.568.894
2002	8.683.343	9.345.871	18.029.214	−662,528
2003	7.262.950	8.988.894	16.251.844	−1.725.944
2004	7.087.855	8.270.235	15.358.090	−1.182.380
2005	7.417.629	9.096.257	16.513.886	−1.678.628
2006	8.689.532	8.436.963	17.126.495	252.569
2007	8.593.850	7.835.465	16.429.315	758.385
2008	8.204.639	7.221.286	15.425.925	983.353
2009	6.788.626	5.113.105	11.901.731	1.675.521
2010	7.559.105	5.886.656	13,445,761	1.672.449
2011	7.101.909	6.536.264	13.638.173	565.645
2012	7.783.676	7.123.937	14.907.613	659.739
2013	8.318.181	7.019.911	15.338.092	1.298.270
2014	8.660.778	5.738.340	14.399.118	2.922.438
2015	9.022.514	7.468.019	16.490.533	1.554.495
2016	8.851.330	7.575.919	16.427.249	1.275.411
2017	9.661.029	7.783.676	17.444.705	1.877.353
2018	10.635.863	8.062.105	18.697.968	2.573.758
2019	11.566.730	8.072.190	19.633.520	3.494.540
2020	10.017.873	6.921.675	16.939.548	3.096.198
2021	11.848.581	7.751.079	19.599.660	4.097.502

Source: Philippine Statistical Yearbooks (2001, 2014, 2017, 2019 and 2021). Unit: thousand USD.

5.2.3. The Philippines moving closer to China and Philippines–China relations

5.2.3.1. The Philippines moving closer to China

Many pieces of archaeological evidence show that the Philippines and China had very early trade relations. From ceramic artifacts dating back to the Song Dynasty, historians have proven that the Philippines and China developed trade over many centuries, even during the Spanish colonial period. However, from after World War II until the early 1970s, diplomatic relations between the Philippines and China were disrupted due to US intervention and the policy of prohibiting trade with China. After many efforts by the two governments, on June 9, 1975, Beijing and Manila officially ushered in a new era, establishing diplomatic relations between the Philippines and China. However, from 1975–2001, economic relations between the Philippines and China were almost “frozen” due to the major impact of political conditions, although Presidents Ferdinand Marcos, Corazon Aquino, Fidel V. Ramos, and Joseph Estrada all made “moves” to promote bilateral relations, but trade and investment remained very modest. Political developments, especially China’s occupation of the Philippines’ Mischief Reef in February 1995 and its replacement of existing structures on Mischief Reef with solid three-story concrete fortification in November 1998, were political tensions that did not “warm up”, causing economic stagnation between the two countries for decades. Therefore, relations with the People’s Republic of China in the first 20 years (1975–1995) could be characterized by political friendliness and cultural and popular warmth but only limited success in economic goals.

However, China–Philippines political relations experienced positive shifts in 1999. During talks on March 23, 1999, in Beijing with Philippine Vice President Gloria Arroyo, Chinese Vice President Hu Jintao emphasized the importance of maintaining long–term and stable friendly neighborly relations between China and the Philippines and ASEAN countries on the basis of the five principles of peaceful coexistence (Tolentino & Ham, 2015). In response to China’s call, Vice President Gloria Arroyo said the Philippine government and people valued relations with China in the new millennium and reaffirmed the Philippines’ support for the “one–China” principle (Tolentino & Ham, 2015). From Table 2, it can be seen that the two countries’ economic relations improved significantly as they entered the early years of the 21st century, when the Philippines began to recognize and appreciate China as a major partner and one of the most important partners in the world, an important economic engine that could help the Philippines escape its decades–long stagnation. In some other areas, cultural, technological, judicial and tourism cooperation between the two countries continued to develop. Among these, China’s official Xinhua News Agency has a branch in Manila, and CCTV–4–China’s international television program–is present in the Philippines. According to the Embassy of the People’s Republic of China in the Republic of the Philippines All Rights Reserved (2009), during the period 1975–1991, the main bilateral agreements between the two countries included the Agreement on Scientific and Technological Cooperation (1978), Cultural Cooperation Agreement (1979), Civil Air Transport Agreement (1979), Memorandum of Understanding on Sports Cooperation (2001), Memorandum of Understanding on Information Cooperation (2001), Memorandum of Understanding on Cooperation in Combating Transnational Crimes (2001), Extradition Treaty (2001), and Agreement on Cooperation against Illicit Trafficking and Abuse of Narcotic Drugs (2001).

Table 2 Trade situation between the Philippines and China (1975–2001).

Year	Export	Import	Balance of trade	Total trade turnover
1975	47.036	25.215	21.821	72.251
1976	53.792	39.551	14.241	93.343
1977	78.351	108.020	–29.669	186.371
1978	111.627	47.458	64.169	159.085
1979	120.953	51.464	69.489	172.417
1980	205.705	44.986	160.719	250.691
1981	194.516	78.225	116.291	272.741
1982	206.327	105.204	101.123	311.531
1983	122.150	29.319	92.831	151.469
1984	220.255	60.185	160.070	280.440
1985	276.084	79.792	196.292	355.876
1986	104.960	101.690	3.270	206.650
1987	87.950	205.960	–118.010	293.910
1988	66.800	242.280	–175,480	309.080
1989	50.230	221.100	–170.870	271.330
1990	61.760	162.100	–100,340	223.860
1991	127.770	223.500	–95,730	351.270
1992	113.900	183.740	–69.840	297.640
1993	173.874	180.663	–6,789	354.537
1994	164.485	294.269	–129,784	458.754
1995	213.966	578.619	–364,653	792.585
1996	327.922	676.507	–348,585	1.004.429
1997	224.412	871.594	–647,182	1.096.006
1998	343.683	1.198.914	–855,231	1.542.597
1999	574.809	1.039.794	–464,985	1.614.603
2000	663.290	767.924	–104,634	1.431.214
2001	792.757	953.110	–160,353	1.745.867

Source: Philippine Statistical Yearbooks (1997, 2001, 2005, 2011 and 2019). Unit: thousand USD.

In summary, Philippines–China relations before 2001 experienced many difficulties and complexities, at times becoming so tense that bilateral relations were frozen for a long period. Since the two sides’ relations were reopened and officially normalized in 1975, cooperation between the Philippines and China gradually improved but could still not flourish. In particular, during the 1995 Mischief Reef incident, China occupied a Philippine–claimed reef “froze” this relationship. By 1999, bilateral political relations somewhat improved when a rising China sought cooperation with the Philippines. Despite the many difficulties in Philippines–China relations before 2001, the two sides’ efforts to improve this relationship laid the groundwork for increasingly developing Philippines–China relations as a driving force for both to continue seeking common interests for long–term cooperation.



5.2.4. Philippines–China relations in the 2001–2021 period

5.2.4.1. Political–Diplomatic relations

Diplomatic relations between the Philippines and China were established in 1975, and since then, bilateral cooperation between the two countries has developed due to their consensus on views related to the peace and prosperity of the region. However, in 1995, the two sides' political and diplomatic relations entered a "freeze" period. However, the efforts of the two countries to support bilateral relations have achieved a positive consensus. Therefore, both countries have created opportunities to strengthen cooperation in the political, security, trade, investment, and tourism fields, as well as cultural and people-to-people exchanges, for the benefit of the two countries as they entered the 21st century. During President Gloria Arroyo's term, Manila and Beijing conducted bilateral cooperation, such as exchanges of visits by defense and military officials, annual discussions on views on the current regional security situation, and joint patrols in the East Sea. In addition, when Arroyo took power, Philippines–China relations developed comprehensively across various fields. In 2005, recognizing China as a strategic partner, President Hu Jintao proposed various measures to strengthen relations between the two countries, such as increasing the exchange of visits by officials, enhancing bilateral trade levels, strengthening cooperation against international terrorism and transnational crimes, and coordinating policies in implementing the ASEAN–China Free Trade Agreement (Embassy of the Philippines in Beijing China, 2020). In December 2005, at the first East Asia Summit meeting in Kuala Lumpur, Arroyo met separately with Chinese Premier Wen Jiabao and reaffirmed the Philippines' strategic commitment and cooperation with China. Following the January 2007 East Asia Summit in Cebu City, Premier Wen Jiabao and Arroyo signed 15 agreements on economic joint ventures and cultural exchanges.

Under President Duterte, the Philippines shifted its foreign policy from a hardline stance to more flexible engagement with China. President Duterte has presided over a series of events to strengthen relations with China (see Table 3). Accordingly, Duterte implemented several measures to tighten relations with China, such as (i) publicly praising China and Chinese President Xi Jinping; (ii) restoring assertions of the Philippines' legal victory over China on the East Sea issue; (iii) announcing changes to military activities that could anger China; (iv) allowing Chinese planes and ships to land or dock in Davao City; and (v) allowing Chinese businessmen and investors (Ranada, 2018). During President Duterte's 2016 visit to China, the two countries signed 13 agreements in areas such as trade, culture, tourism, counternarcotics, and maritime affairs. The joint statement emphasized "adhering to international law, strengthening economic and trade cooperation, and properly handling the East Sea issue" (Van, 2016). In an informal meeting between President Xi Jinping and Presidents Duterte, and Indonesian President Joko Widodo at China's first BRI Forum in 2017, President Xi Jinping affirmed, "The Philippines and Indonesia are important partners in the BRI, and China hopes to achieve mutually beneficial development results by enhancing cooperation in infrastructure construction, trade, investment and people-to-people exchanges between the two countries" (Daval, 2017). This shows the warm political relationship between the Philippines and China under President Duterte.

2018 marked a breakthrough in bilateral relations when President Xi Jinping visited the Philippines, and the two sides signed 29 agreements on education, culture, industrial development and oil and gas exploration while "committing to building a comprehensive strategic partnership on the basis of mutual respect and mutual benefit". Notably, in April 2019, President Duterte attended the Second Belt and Road Forum for International Cooperation. During the bilateral meetings between President Duterte and President Xi Jinping, the two leaders witnessed the signing and exchange of agreements between the National Economic and Development Authority (NEDA) and the National Comprehensive Dangerous Drugs Abuse and Treatment Rehabilitation Center Project between the Government of the Republic of the Philippines and the Government of the People's Republic of China. By 2021, the two sides' political relationships were heavily impacted by the consequences of three Chinese coast guard vessels attacking a Philippine supply ship en route to Ayungin (Second Thomas) Shoal. Although President Duterte made great efforts to defuse and resolve the "flashpoint", the anti-China wave within Philippine society had formed and put pressure on President Duterte's "pro-China" policy.

5.2.4.2. Economic relations

During the 2001–2009 period, trade cooperation between the Philippines and China experienced superior development in scale and nature compared to before. The key point was that both countries recognized common benefits in the context of globalization and global economic integration. Through high-level visits, bilateral agreements on economic, cultural and social issues were signed. President Gloria Arroyo advocated building a comprehensive, diverse and long-term economic and trade relationship with China—a rapidly rising power. Philippines–China trade relations continuously developed during this period. Despite many differences, due to economic needs and interests, the Philippines made adjustments in its foreign policy toward China, bringing bilateral relations into a "golden era" under President Gloria Arroyo. As shown in Table 3, from 2001 to 2009, bilateral trade between the Philippines and China increased by 41%. In 2003, the trade value increased from \$5.26 billion in 2002 to \$9.4 billion, an equivalent increase of 78.7%. In 2005, bilateral trade reached \$17.56 billion, up 31.74% from \$13.3 billion in 2004. In 2006, this figure reached \$23.4 billion, up 33.3% from \$17.56 billion in 2005. Thus, the Philippines–China trade became the fastest growing trade in Southeast Asia, making China the Philippines' third largest trading partner after the

US and Japan. China also heavily invested in the Philippines’ agriculture and mining sectors, providing \$8.75 million for the Philippines–China Agricultural Technology Center in Nueva Ecija Province, the country’s rice granary. In 2006, China accounted for 8.3% of the Philippines’ global trade, worth \$8.3 billion, with a trade surplus of over \$900 million in favor of the Philippines. Due to the global economic crisis, bilateral trade in 2009 fell to only \$6.7 billion compared to \$9.7 billion in 2008.

Table 3 Some Major Political and Diplomatic Events between the Philippines and China under President Duterte’s Term.

Time	Event
30/6/2016	Duterte was sworn into office. Before taking office, Chinese Ambassador Zhao Jianhua visited Duterte twice – once in May and once less than a month later. Zhao met Duterte for the 3rd time – 5 days before the Permanent Court of Arbitration (PCA) issued its ruling on the Philippines–China sea dispute.
18/10/2016– 21/10/2016	Duterte visited China for a 4–day state visit, drawing attention after Duterte declared on October 20 about “military and economic separation” from the US. The government secured multibillion dollar deals with China, including business–to–business contracts, public financing agreements, and preferential loans for development projects.
14–15/5/2017	Duterte, along with 27 other government leaders in Beijing, attended a forum on China’s BRI, a proposed network of infrastructure and trade linking Asia, Africa and Europe.
12–16/11/2017	Chinese Premier Li Keqiang visited the Philippines, becoming the first Chinese Premier to do so in 10 years. During his trip, Li signed 14 agreements with Duterte, including the 2017 Renminbi Bond Issuance Guarantee Agreement and an additional 1.1-billion-peso contribution for Marawi’s rehabilitation.
15/3/2019	Former Philippine Foreign Secretary Albert del Rosario, former Ombudsman Conchita Carpio Morales, and a group of fishermen filed a complaint with the International Criminal Court, accusing Chinese President Xi Jinping of crimes against humanity for environmental destruction in the East Sea.
25/4/2019	President Duterte met Chinese President Xi Jinping ahead of the 2nd BRI Forum in China. He encouraged China and the Philippines to continue “exploring new areas of cooperation and partnership” and expedite the implementation of agreements signed during Xi’s visit in November 2018.
14/1/2020	The Philippine Coast Guard (PCG) welcomed officials from the Chinese Coast Guard (CCG) to the country, beginning “historic” days of dialogs and exercises.

After the US, 2010 marked China’s rise, as it surpassed Japan to become the world’s second–largest economy. After the 2008–2009 global economic crisis, President Benigno Aquino III continued to implement a policy of diversification and multilateralization to promote economic and trade relations, with China as a new destination in Aquino’s economic policy. As a result, Philippines–China relations achieved many successes in the economic and trade fields. The total bilateral trade value would reach \$30.5 billion in 2020, doubling from \$13.6 billion in 2010. After the meeting between President Aquino III and President Hu Jintao on March 30–September 8, 2011, the two sides issued a joint statement emphasizing the Philippines–China Strategic Cooperation Action Plan signed on October 29, 2009. Since then, the value of bilateral trade has continued to grow rapidly despite both the Philippines and China being affected by the previous global economic crisis.

Table 4 shows that trade relations between the two countries slowed and declined after January 2013, when the Philippines officially confronted China’s expansionist claims in the sea (De Castro, 2015). This led to a disruption in the economic relationship between the two countries during the 2013–2016 period. Specifically, the export situation tended to decline, from \$7.025 billion in 2013 to \$6.372 billion in 2016. The trade deficit grew larger and favored China with an increasing trend. During President Duterte’s term, trade cooperation between the two countries was further promoted with the “pivot” policy toward China. Additionally, the two countries also discussed a 6–year economic and trade cooperation and development program, seen as an overall cooperation framework for the two countries’ economic relations from 2017–2022. China quickly became the Philippines’ largest trading partner in 2016, with a total trade value of \$21.937 billion, accounting for 15.5% of the Philippines’ total trade that year. Exports to China reached \$6.373 billion, while import payments were worth \$15.565 billion, creating a trade deficit of \$9.192 billion. From 2016 to 2018, China remained the Philippines’ largest trading partner. In general, the share of Philippines–China bilateral trade in the Philippines’ total annual trade is quite high and holds an important position. At the same time, the value of goods exports and imports in this country has also gradually increased over the years, partly due to policies of expanding external relations and advantages in terms of reasonable prices, abundant sources of goods, and many preferential treatments suitable for the Philippines in many fields (Camba, 2023).

Moving into 2018–2019, the Philippines quickly improved its trade and economic position with China, even though many unresolved issues remained between the two countries, especially disputes in the East Sea. Since 2018, Philippines–China relations have continued to experience new developments, especially with President Duterte’s support and direct participation in China’s BRI initiative in 2017 (Yu, 2017). In 2020, bilateral trade between the two countries reached \$61.15 billion, up 0.3% from the previous year. China’s nonfinancial direct investment in the Philippines amounted to \$140 million, an increase of 1.36 times compared to that in 2019. In the first quarter of this year, bilateral trade reached \$16.49 billion, and China’s nonfinancial direct investment in the Philippines was \$27.36 million, up 34.7% and 85.2%, respectively. China remains the Philippines’



largest trading partner, largest source of imports, third-largest export market, and second-largest foreign investor. In 2021, the total bilateral trade value reached \$82 billion despite the differences and conflicts in the East Sea.

Table 4 Philippines–China trade value (2001 – 2021).

Year	Export	Import	Balance of trade	Total trade turnover
2001	792.757	953.110	-160.353	1.745.867
2002	1.355.825	1.251.727	104.098	2.607.552
2003	2.144.647	1.797.486	347.161	3.942.133
2004	2.653.036	2.659.375	-6.339	5.312.411
2005	4.076.996	2.972.595	1.104.401	7.049.591
2006	4.627.660	3.647.354	980.306	8.275.014
2007	5.749.864	4.001.235	1.748.629	9.751.099
2008	5.466.881	4.245.553	1.221.328	9.712.434
2009	2.933.923	3.807.418	-873.495	6.741.341
2010	5.724.467	4.627.559	1.096.908	10.352.026
2011	6.237.326	6.085.075	152.251	12.322.401
2012	6.169.285	6.680.352	-511.067	12.849.637
2013	7.025.215	8.072.328	-1.047.113	15.097.543
2014	8.467.435	9.869.762	-1.402.327	18.337.197
2015	6.174.784	11.470.735	-5.295.951	17.645.519
2016	6.372.524	15.564.900	-9.192.376	21.937.424
2017	8.017.132	17.463.603	-9.446.471	25.480.735
2018	35.040.000	20.610.000	14.430.000	55.650.000
2019	40.760.000	20.200.000	20.560.000	60.960.000
2020	41.880.000	19.360.000	22.520.000	61.220.000
2021	57.290.000	24.760.000	32.530.000	82.050.000

Source: Philippine Statistical Yearbooks (2014, 2017 and 2021)

In terms of investment, the Philippines needs to mobilize large investments to restructure its economy from agriculture to rely on modern industry and services for development. With its “going out” and BRI policies (Chuong, 2016), China has created favorable conditions for investing in the Philippines. As shown in Table 5, China’s total FDI in the Philippines was \$387.34 million in 2010 and increased 2.5 times to \$830.6 million in 2019. By 2021, this figure had risen to \$883 million due to growth led by enterprises and companies in the information and communication technology, food manufacturing, real estate and power sectors. The largest project is developing a third telecommunications provider, a joint venture with China Telecom. This investment is attracting related projects in telecommunications, infrastructure and services. Other notable Chinese investors in the Philippines include C&U Group, New Hope Liuhe, Azure Gaming (Hongkong) Ltd., Suzhou Boamax Technologies Group Co., Ltd. and JTK Technology (Suzhou) Co., Ltd. These conglomerates are promising enormous resources for investing in the Philippines in the future.

5.2.4.3. Defense and security relations

In the past, the Philippines–China relationship was limited to diplomatic, economic, cultural, and social aspects. Both countries deliberately avoided cooperation in the defense and military fields due to the military alliance between the Philippines and the US, intense disputes in the East Sea, and the Philippines’ ambiguous stance on the Taiwan issue, which were significant barriers to establishing military and defense cooperation between the Philippines and China. However, after the 9/11 event, China supported the US’s global war on terror, creating a more “cooperative” image of China in world affairs. This new image created opportunities for China and the Philippines to open up new areas of security and defense cooperation. The two sides also agreed to organize the Republic of the Philippines (RP) and the People’s Republic of China Defense and Security Dialog. Held annually from 2005 to 2010, Philippine and Chinese delegates discussed military exchanges, training and education, ship visits, intelligence sharing, military assistance, and even sensitive issues such as the 1951 MDT Treaty (Ernst, 2022). Beijing provided the Philippines with 10 million renminbi (US\$1.25 million) in nonlethal military aid. China also gave the Philippines 20 million renminbi (US\$2.5 million) worth of equipment (mainly 12 technical items) in 2009 and 2010 (Ernst, 2022). In September 2007, Filipino Defense Secretary Gilberto Teodoro met with General Cao Gangchuan, Vice Chairperson of the Central Military Commission and Defense Minister, in Manila for bilateral consultations. Before President Arroyo’s term ended in 2010, two Chinese missile destroyers and a supply ship from the People’s Liberation Army Navy (PLAN) visited Manila on their way to the Gulf of Aden.

Table 5 Total FDI capital from China to the Philippines (2000 – 2021).

Year	FDI budget from China to the Philippines (million USD)
2000	111.12
2001	209.39
2002	186
2003	220.01
2004	233.24
2005	188.9
2006	134.34
2007	195.32
2008	126.87
2009	111.01
2010	138.06
2011	494.27
2012	593.14
2013	692.38
2014	759.94
2015	711.05
2016	718.893
2017	819.6
2018	830.02
2019	664.09
2020	767.13
2021	883.19

Apart from the Philippines and China promoting increased regional maritime security cooperation, China also strongly supported the Philippines’ counterterrorism campaigns in the southern region. In one of the bilateral agreements signed (the Economic and Technical Cooperation Agreement), Beijing provided Manila with over US\$14 million for anti–drug and law enforcement projects (Rabena, 2017). Additionally, China also supplied weapons to the Philippines to strengthen the National Police Force (Loan, 2017). In 2018, President Duterte proposed that the military participate in counterterrorism training in China as a way to “create a balance”. Philippine Defense Secretary Arsenio Andolong also announced that the country would join the China–ASEAN Military Exercise in Zhanjiang, China, and abroad from October 22–29, 2018. The Philippines said that participating in the exercise with the Chinese military this time would “*enhance mutual understanding, seek opportunities to improve the handling of unintended incidents at sea, and ways to achieve maritime agreements*” (Macaraig et al., 2021). However, in the security realm, the Philippines remains suspicious and cautious of China while maintaining its military alliance with the US. The Philippine military has a different view from Duterte’s attitude toward China, especially in the recent context where the two countries still have disputes related to the East Sea issue. In 2021, Chinese coast guard vessels blocked and water–cannoned two Philippine supply boats heading to Second Thomas Shoal, an incident that angered Philippine leaders and people and put pressure on enforcing Duterte’s policy toward China. Thus, the Philippines–China relationship related to the sovereignty dispute in the East Sea, as well as China’s increasing military presence and aggressive military posturing in the East Sea, has also raised security risks from Beijing for the Philippines.

6. Final Considerations

In the period 2001–2021, with the strong rise of China, economic relations between China and the Philippines rapidly developed through a series of trade agreements with each other, with the BRI being the most prominent. Therefore, due to its economic attractiveness, Manila can hardly turn its back on Beijing when this country remains an important and indispensable partner for the Philippines in its economic security policy, as China’s large market of approximately 1.4 billion people is always an important destination for the country’s agricultural exports. Hence, despite tensions in the East Sea, Philippines–China relations (2001–2021) have undergone remarkable development, especially under President Duterte, when he pursued a “China–centric” policy. On the other hand, the US is the Philippines’ long–standing military ally, but the US’s return to unilateralism after the end of the Cold War created a power vacuum that China could fill. Although the US has always been one of the Philippines’ top trading and investment partners, it has not kept up with the trade relationship between China and the Philippines since 2010. The current state of the Philippines–US security and military relations, the characteristics of this relationship, have also been specifically analyzed in the study. Thus, Philippines–US security and military relations in the period 2001–2021 continued to develop and expand more extensively but were unstable and influenced by individual leaders and directly by the China factor.



Since China became the Philippines' number one trading partner, the China factor has influenced this relationship even as it has developed and declined. The situation of the Philippines–US alliance improved significantly when President Obama implemented the “rebalancing” and “pivot” policies in the Asia–Pacific region. China was both a common threat and a key area of cooperation between the Philippines and the US. This is why this relationship tended to decline due to President Duterte's policy of leaning toward China and “ignoring” the US. Under President Duterte, the trend of security and military relations between the Philippines and the US was declining, raising concerns about the breakdown of the military alliance between the Philippines and the US. However, through analysis and evaluation, the needs and interests of the two sides and their mutual need for each other in implementing their foreign policies show that the two countries' military alliance relationship shows no signs of disintegration, and high–level diplomatic relations were maintained despite the political tensions between the two countries. China's aggression in the East Sea, the US's number one military power, and the more than 100–year–close relationship between the US and the Philippines have always been the top priority factors in implementing the Philippines' national security policy. Therefore, President Duterte may not want to leave the US but only wants to show the US that the Philippines is also very important in US policy in Southeast Asia.

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Ethical considerations

The authors affirm that this research was conducted in full compliance with ethical standards. We commit to the principles of scientific integrity, transparency, and responsible research practices. This study adhered to all relevant institutional and national guidelines. No ethical approval was required for this type of study. We declare no conflicts of interest that could have influenced the research process or outcomes. The authors are committed to maintaining the highest standards of research ethics and integrity in all aspects of this work.

Conflict of Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper. All authors have disclosed any potential conflicts of interest and agree to publish this statement. We affirm that this research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest. The authors are committed to maintaining transparency and objectivity in all aspects of this research and its publication.

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