The 21st Century Philippine-U.S. Enhanced Defense Cooperation Agreement (EDCA): The Philippines’ Policy in Facilitating the Obama Administration’s Strategic Pivot to Asia

Renato Cruz De Castro*

De La Salle University, Manila, the Philippines

The article examines the reasons behind the Aquino administration’s instantaneous support for the Obama administration’s pivot to Asia as the Philippines negotiated and signed a framework agreement on enhanced defense cooperation with the United States. This outright backing stems from President Aquino’s determination to counter China’s expansionism in the South China Sea. The 2012 Scarborough Shoal stand-off between the Philippines and China has validated the immediacy of this security arrangement which jibes with the U.S. strategic policy. In conclusion, the article contends that a small power like the Philippines—when confronted by an emergent and potentially expansionist power—is not necessarily helpless since it has foreign policy choices, as well as the power to chart its own destiny.

Keywords: alliance, U.S. defense policy, Philippine defense policy, Philippine-U.S. alliance, defense cooperation.

In November 2011, the Obama administration announced a strategic pivot to Asia. This move entails a gradual shift from the current U.S. campaigns in Iraq and Afghanistan to a deeper diplomatic and military involvement in the Asia-Pacific region. It is an obvious attempt to assert America’s leadership in Asia and to counterbalance China’s pervasive regional influence. It also implies a substantial reorientation of U.S. global strategy from the post-9/11 focus on the War on Terror to a rebalancing of American effort, and resources to meet the challenges and to seize opportunities in East Asia. Clearly, the United States is poised to ensure stability in Asia, protect its allies, and strategically balance, if not confront head-on, an assertive China.

Skeptics, however, argued that the U.S. strategic pivot to Asia is bound to fail for two reasons: First, it is a heavy-handed policy that unnecessarily antagonizes China and heightens tension in the region. Second, it is empty rhetoric, considering that American military presence will be hampered by budget cuts in U.S. government spending. In much the same way, analysts call the strategy “a twenty-first century form of containment that can revive Sino-U.S. rivalry.” They also doubt the Obama administration’s capacity to finance larger forward-deployed forces in the Asia-

* E-mail: renato.decastro@dlsu.edu.ph
The US$500 billion cut in U.S. defense budget will reduce the sizes of the U.S. Air Force and U.S. Navy, respectively, and slow down the deployment of more planes and ships to the Pacific. Many analysts also view the move simply as a marketing job by the Obama administration to camouflage the decline of the United States after the 2008 financial meltdown, in sharp contrast to China’s unstoppable emergence as a great power in East Asia.

The Philippines is oblivious to these writings on the wall. It continues to pursue closer security cooperation with the United States as a matter of policy. This can be traced back to 2011 when President Aquino challenged China’s expansive territorial claims in the South China Sea. He redirected the focus of the Armed Forces of the Philippines (AFP) from domestic security to territorial defense, promoted closer Philippine-U.S. security relations; acquired American military equipment; and sought an unequivocal security guarantee from Washington under the 1951 Mutual Defense Treaty (MDT). In late April 2014, the two allies signed the framework agreement on the 2014 Enhanced Defense Cooperation Agreement (EDCA). The agreement provides American forces strategic rotational presence in Philippine territory. In effect, it allows American forward-deployed forces in East Asia the most extensive access to Philippine military facilities since the United States vacated its vast air and naval installations at Clark Air Base and Subic Naval Base in the early 1990s. Thus, the signing of the agreement on April 28, 2014 became the centerpiece of President Obama’s long-postponed Asian trip, a high-profile way of demonstrating American strategic clout in the region. The agreement was also designed to constrain China, which has stepped up its expansive maritime claims in the South China Sea by engaging the Philippines in a tense two-month naval stand-off near the Scarborough Shoal in 2012.

This article examines the factors behind the Aquino administration’s instantaneous support for the Obama administration’s rebalancing to Asia as it negotiated and signed a framework agreement on enhanced defense cooperation with the United States. It raises two corollary questions: What is the motive of the Philippine government in negotiating for an EDCA with the United States? How does this agreement facilitate the U.S. strategic pivot to Asia? The article also explores these pertinent questions: a) What is the Obama administration’s current military and diplomatic strategy in Asia? b) What is its origin? c) Why is the Philippines willing to facilitate this pivot? d) What is the framework agreement on increased U.S. rotational troop presence in the Philippines and how will it support the pivot strategy? And e) how will this framework agreement affect twenty-first century Philippine-U.S. security relations?

**Alliances and Small Powers’ Balancing Policy**

In his 1987 classic work on alliance formation, Stephen Walt observed that when confronted by a major external security challenge, a state may either balance by allying itself with other states against the potential threat, or it may get on the bandwagon by aligning itself with the emergent power. For a balancing policy to succeed, a state must have the essential military power, a demographic advantage, and a strong technological/industrial base. Generally, small powers have scarce natural resources, constrained geography, small population, diverse ethnic composition, and, in many
cases, weak state institutions. In other words, small or minor powers have limited economic and military capabilities. Many of them consider balancing an emergent regional power detrimental and risky. Thus, it is assumed that balancing cannot be effectively applied by small or minor powers since they have marginal capabilities to affect international outcomes. Given their strategic vulnerabilities and limited military capabilities, small or minor powers often resort to bandwagoning to appease the established, rising, or emergent powers.

Historically, however, this is not always the case. Small powers apply balancing strategies against the major powers despite the military and diplomatic disparities between them, e.g., Finland against the Soviet Union in 1939–1940; North Vietnam against the United States in the 1960s; and Iraq against the United States in 1990–1992 and again in 2003. In fact, in certain cases, small powers even initiate wars against major powers though they cannot defeat them by themselves. Clearly, inferences or explanations based solely on the states’ relative capabilities cannot adequately explain why an outmatched competitor wants to provoke or even start a war against a much stronger adversary.

Small powers ignore asymmetrical power relations and adopt a balancing policy because of domestic politics, geography, their ability to manipulate local circumstances to achieve disproportionate power relations with the big powers, or the presence of other great powers willing and able to give them military assistance and security guarantees. If global conditions for their balancing gambits are ripe, small powers can either draw on their geostrategic location to exert leverage over the powerful state, or rely on other major powers for security guarantees. This is the case of the Philippines when it expeditiously supported the Obama administration’s strategic pivot to Asia as it negotiated and signed an agreement for the rotational American troop presence in its territory.

From Bandwagoning to Balancing

From 2001 to 2010, the Philippine government focused on, and expended tremendous effort and resources toward, combating domestic insurgencies. In early 2009, however, the country was suddenly jolted by the ubiquitous Chinese naval presence in Philippine territorial waters and greater assertiveness in the Spratlys. This development was countered when the Philippine government passed Republic Act No. 9522, also known as the Philippine Baseline Act. Soon after then, President Gloria Arroyo signed the bill into law on March 10, 2009. Following this, China deployed a fishery patrol vessel, and in the following month, sent six more patrol vessels allegedly to curb illegal fishing in the contested area. These maneuvers manifested China’s belligerent efforts to consolidate its jurisdictional claims, expand its naval reach, and undermine the positions of other claimant states through coercive diplomacy. Belatedly, the Philippines realized the need to develop the country’s territorial defense capabilities to protect its vast maritime borders and territorial claim over some islands in the Spratlys.

The focal shift of the AFP to territorial defense gained momentum with the ascendency of Benigno Aquino III to the Philippine presidency. In his campaign sorties during the 2010 election, he alleged that the Arroyo administration and the AFP colluded in the massive 2004 electoral fraud in Mindanao, malversation of public
funds, and extra-judicial killings of political activists and domestic insurgents. Upon assuming the presidency in June 2010, he vowed to pursue transparency and accountability in governance, and to build up the AFP’s maritime/territorial defense capabilities.

The 2010 AFP Internal Peace and Security Plan (ISP)—Oplan Bayanihan (Operational Plan Community Spirit)—detailed the Aquino administration’s plan for such transition. The plan acknowledged the AFP’s lack of capabilities to perform its mandated task of guarding the Philippines’ extensive maritime borders and ensuring its security from external threats. It also provided a three-year period within which the Philippine military would develop capabilities to undertake unilateral defensive operations against any form of external armed aggression. Corollary to the ISP, the Department of National Defense (DND) and the AFP formulated the 2010 AFP Long-Term Capability Development Plan. It proposed the re-evaluation of military priorities and the urgent upgrading of the AFP’s weapons system. It also called for a change in strategic planning from counter-insurgency/counter-terrorism to maritime contingencies that might stem from the South China Sea dispute. This course of action required Philippine Air Force (PAF)-Philippine Navy (PN) joint capabilities for maritime domain awareness, maritime defense operations, and interdiction. Specifically, it rationalized the upgrade of the PN fleet for “combined maritime surveillance, defense, and interdiction operations in the South China Sea.”

On March 2, 2011, two Chinese patrol boats harassed a survey ship commissioned by the Philippine Department of Energy (DOE) to conduct oil exploration in the Reed Bank (also called Recto Bank). The Reed Bank lies 150 kilometers east of the Spratly Islands and 250 kilometers west of the Philippine island of Palawan. The Aquino administration was stunned by this maritime encounter which was well within the country’s exclusive economic zone (EEZ). Two days after the incident, the Philippine government filed a protest with the Chinese Embassy in Manila to “simply seek an explanation for the incident.” Brushing aside the Philippine diplomatic query, a Chinese Embassy official insisted that China has indisputable sovereignty over the Nansha Islands (the Spratlys) and their adjacent territory.

In early June 2011, the Philippines sought clarification on the sightings of China Marine Surveillance (CMS) and People’s Liberation Army’s Navy (PLAN) ships near the Kalayaan group of islands. Both the Philippine defense and foreign secretaries expressed serious concerns over the alleged Chinese intrusion into the country’s EEZ to stake China’s territorial claim and to conduct possible construction of an oil rig in the uninhabited Iroquois Bank. They asserted that these “are clear violations of the China-ASEAN 2001 Declaration on the Conduct of Parties in the South China Sea.” In response, 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.”

Beijing went on to demand that Manila first seek Chinese permission before it could conduct oil exploration activities even within the Philippines’ EEZ. China, in fact, badgered the Philippines and other claimant states to recognize China’s sovereign claim over the South China Sea. China’s heavy-handed attitude and arrogant statements against the Philippines and Vietnam in the first half of 2011 escalated the territorial dispute. By then, President Aquino unmistakably saw that the Philippines was on a direct collision course with China regarding the South China Sea issue.
From Internal Security to Territorial Defense

The March 2, 2011 incident at the Reed Bank and China’s dismissive response to the Philippines’ diplomatic queries drove the Aquino administration to hasten the development of the AFP’s territorial defense capabilities. In June 2011, the executive branch of the government and the AFP agreed on a multi-year, multi-billion peso defense upgrade spending and military build-up. The Department of Budget Management (DBM) released a Multi-Year Obligation Authority (MOA) to the DND, allowing the AFP to enter into multi-year contracts with other governments or private arms and military hardware manufacturers. The DBM also committed Php40 billion (estimated US$800 million) in the next five years (2012–2016) to develop the AFP’s capabilities for greater domain awareness of the Philippine territorial waters and EEZ.

In October 2011, Defense Secretary Voltaire Gazmin released the Defense Planning Guidance (2013–2018) restructuring the AFP to a “lean but fully capable” armed forces to protect the country’s territorial integrity and maritime security. It envisions the development of an effective force projection capability to monitor the Philippines’ territorial waters and EEZ. The immediate goal is to establish a modest but “comprehensive border protection program,” which is anchored in the surveillance, deterrence, and border patrol capabilities of the PAF, the PN, and the Philippine Coast Guard to safeguard the country’s territorial waters including its contiguous regions and EEZ. The long-term goal, according to the 2011 AFP’s Strategic Intent, is to develop the force structure and capabilities enabling the Philippine military to maintain a “credible deterrent posture against foreign intrusion or external aggression, and other illegal activities while allowing free navigation to prosper.”

The Aquino administration, however, is constrained by limited financial resources. The Philippine government could only acquire two former U.S. Coast Guard cutters. It could not immediately purchase war materiel such as blue-water missile-armed ships, search-and-rescue vessels, naval helicopters, strategic sea lift ships, and top-of-the-line interceptors that can be used to protect its oil exploration projects and territorial claims in the South China Sea. To purchase the necessary defense equipment, the AFP waited for the Philippine Congress to legislate the extension of the AFP modernization law (Republic Act 7898) after it expired in February 2010. In December 2012, the Philippine Congress passed and President Aquino signed Republic Act No. 10349 authorizing the extension of the original AFP modernization law. The law, however, allots only Php75 billion (US$1.5 billion) for the next five years. This amount, however, is miniscule and insufficient for the acquisition of modern fighter planes, missile-armed frigates, sea-and-land-based missile systems, patrol vessels, and long-range reconnaissance planes along with support facilities such as radar sites, forward operating bases, hangar, communication, maintenance, and command and control facilities.

Balancing China and the Philippine-U.S. Alliance

The 2001 U.S. global war on terror, and later, the tension in U.S.-China relations after 2008 facilitated the Philippines’ strategic agenda vis-à-vis an expansionist China. The revitalized Philippine-U.S. alliance achieved two political/strategic objectives. First, the Philippine government received U.S. support for its counter-terrorism/
counter-insurgency campaigns. Second, Washington deepened its alliance with Manila not only to neutralize terrorist groups, but also to counter Beijing’s political and economic influence in the country. The U.S. regularly provides technical and military assistance to the AFP to maintain the Filipino-American security partnership in the face of a growing Chinese military challenge. Thus, an important factor in the Aquino administration’s balancing policy on China is the strengthened and reconfigured Philippine-U.S. security relations.

Currently, Washington’s medium-term goal is to assist the Philippine military in its counter-insurgency/counter-terrorism efforts, maritime security concerns, and transition from internal security to territorial defense. In the long run, Washington hopes that the Philippines can help maintain America’s key strategic interest in Southeast Asia—a regional balance of power that tilts in favor of the United States. At present, China could undermine that delicate balance of power.

In 2010, China’s bullying behavior in the South China Sea caught the attention of the U.S.-Philippine Mutual Defense Board (MDB), the liaison and consultative body (along with the Security Engagement Board) that oversees the Philippine-U.S. defense posture against external threats. The MDB annual meeting on August 18, 2010 discussed the security challenges that the allies face such as terrorism, domestic insurgency, and potential flashpoints, specifically the maritime dispute in the South China Sea. Both countries agreed to complement each other’s military capabilities, enhance inter-operability between their armed services, and strengthen the AFP’s territorial defense capabilities with tangible U.S. security assistance.

In late January 2011, the Philippines and the United States affirmed their alliance and explored new areas for cooperation during a strategic bilateral dialogue. Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell told Filipino officials “that the Obama administration is committed to boosting the Philippine military’s capacities to patrol its waters as part of a larger goal of keeping Asian sea lanes open.” The two sides resolved to upgrade the Philippine military’s capabilities in maritime security through: a) U.S. funding support to the AFP’s Capability Upgrade Program (CUP), which includes acquisition of equipment, as well as extensive refurbishing and maintenance of existing AFP materiel; and b) the provision of additional funding of (US$40 million) for the Coast Watch South to boost the Philippine military’s surveillance, communication, and interdiction capabilities in the western part of the country. In a press conference in Washington on February 2, 2011, Assistant Secretary Campbell formally announced U.S. military assistance to the Philippines, particularly “the provision of equipment through excess defense sales, training of elements of their coast guard and navy and deeper consultations at strategic, political, and military levels.”

At the height of the Philippines’ territorial row with China in mid-June 2011, the Aquino administration acknowledged the exigency for U.S. diplomatic support and military assistance. Executive Secretary Pacquito Ochoa expressed hope that Washington would come to Manila’s assistance if an armed confrontation breaks out in the Spratlys. He added that the Philippines could invoke the 60-year old MDT if the Spratly dispute becomes a military problem. Then U.S. Ambassador to the Philippines, Harry Thomas, readily pledged U.S. support to the Philippines, and stated: “The Philippines and the U.S. are long-standing treaty allies. We are strategic partners. We will continue to consult each other closely on the South China Sea, Spratly Islands, and other issues.”
Undoubtedly, the Philippine military needs new arms and equipment to develop its territorial defense capability. The most recent U.S. assistance included the transfer of two former U.S. Coast Guard’s Hamilton-class cutters to the Philippine Navy through the Foreign Military Sales credit. After they were transferred to the Philippines, these cutters are now the largest vessels in its inventory and replaced the PN’s World War II vintage destroyer escorts used for patrolling the high seas. These high-endurance cutters are now used to protect the country’s oil exploration ventures and territorial claims in the South China Sea. The PN plans to retrofit the cutters with modern electronics and surveillance equipment and to deploy them to monitor all surface activities in the South China Sea.

Pondering on the Rotational Troop Presence

The bottom line is that no amount of American material and technical assistance will enable the Philippines to confront an assertive China in the South China Sea. The AFP’s territorial defense build-up simply augments the deterrence provided by U.S. forward deployment and bilateral alliances in East Asia. In the final analysis, the Philippines’ territorial defense posture is predicated on U.S. assertion of its position as the dominant naval power in the Pacific. Conscious of its military inadequacies, Manila has asked for an unequivocal U.S. commitment to Philippine defense and security as provided for in the 1951 MDT. Since June 2011, the Philippines has sought American naval/air support in the Spratlys. Philippine officials rationalized that an armed attack on Philippine metropolitan territory and forces anywhere in the Pacific, including the South China Sea, should trigger a U.S. armed response.

Regrettably, the 1951 MDT does not provide for any automatic response from either the Philippines or the United States. It only requires the allies to consult each other and determine what military action, if any, both would take. The current U.S. position remains ambiguous on the nature and provisions of the treaty’s commitment in case of an armed attack against the Philippines. Likewise, the State Department stops short of making any reference to any retaliatory response if armed hostilities erupt in the South China Sea. When pressed on the issue, it falls back on the cryptic reply 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.”

Whether the U.S. forces will assist the Philippines or not in an armed confrontation depends on whether they have access to facilities near the South China Sea from which they could respond in a timely manner. During the August 16, 2011 meeting of the Mutual Defense /Security Engagement Board, the allies agreed to develop a framework for heightened bilateral and multilateral security, and domain awareness. The board considered the following measures: a) rotational presence of the U.S. Maritime Defense Assets in the Philippines to support MDB and SEB activities while the AFP develops its own capability for territorial defense; b) increased joint bilateral maritime security activities in the South China Sea/West Philippine Sea; c) development of joint-use maritime security support facilities; d) improved information-sharing between U.S. and Philippine forces; and e) the conduct of integrated maritime security initiatives involving the U.S. Pacific Command and the AFP. The allies drafted the aforementioned activities to compensate for the AFP’s inadequacy in
terms of territorial defense capabilities, and to enable both allies to conduct joint operations in case the MDT is invoked because of an armed attack against the Philippines.\textsuperscript{28}

To implement the 2011 MDB/SEB Strategic Guidance, the Philippines floated the idea of expanding the American strategic presence in its territory to balance China. Philippine officials were intent on strengthening the country’s maritime defense capabilities and showed willingness to host American ships and surveillance aircraft in AFP facilities.\textsuperscript{29} In January 2012, during the Philippine-U.S. Bilateral Security Dialogue held in Washington, D.C., Philippine foreign and defense officials argued for an increased U.S. military presence in the country.\textsuperscript{30} This presence was proposed in the face of China’s aggressive behavior in the South China Sea, and in line with the Obama administration’s Defense Strategic Guidance. This document called for a rebalancing of the U.S. force structure and investments to meet persistent and potential threats in the Asia-Pacific and the Middle East, and to advance capabilities for maintaining access and projecting power globally.\textsuperscript{31}

The Obama administration readily accepted the Philippine proposal. It studied several options on the implementation of the rotational presence including the operation and deployment of American ships from Philippine ports, scheduling troop rotations, and launching of more joint military exercises, with the U.S. forces temporarily based Philippine installations.\textsuperscript{32} In March 2012, Manila formally announced President Aquino’s decision to host more American troops into Philippine territory on a rotational basis, heighten U.S. ship visits, and increase military exercises between Filipino and American forces without establishing permanent foreign military bases in the country.\textsuperscript{33}

\section*{From Re-engagement to the Strategic Pivot}

The Obama administration announced a policy of re-engagement in East Asia in early 2001. This policy involved buttressing American bilateral alliances and championing multilateralism. To substantiate the move, the Obama administration undertook concrete measures in the latter half of 2010. The most significant among these efforts was Secretary Clinton’s July 24, 2010 Declaration on the South China Sea in Hanoi, Vietnam. Through this pronouncement, Secretary Clinton emphasized that it is in the U.S. interest that freedom of navigation, open access to Asia’s maritime commons, and the littoral states’ respect for international maritime law in the South China Sea are observed. She added that the United States is prepared to facilitate multilateral negotiations to settle the dispute over the Spratly Islands.

To counter the Obama’s administration’s reengagement policy in Asia, and growing interests in the South China Sea dispute, China has intensified its naval build-up. China has had an annual double-digit increase in defense spending since 2006. Consequently, it has developed a formidable navy.\textsuperscript{34} At present, the PLAN can conduct long-range, technologically sophisticated, and high-intensity combat operations along China’s maritime periphery. Boosted by increased budgets and improved domestic shipbuilding capabilities, the PLAN is at the forefront of Chinese military modernization and has been at the cutting edge of China’s coercive diplomacy. More significantly, it is an effective instrument in the pursuit of China’s national policy.\textsuperscript{35}

China’s heavy-handed behavior in the South China Sea and East China Sea has increased in tandem with the expansion of its navy and maritime services.\textsuperscript{36} To
advance its maritime claims, China conducts numerous naval exercises that involve modern surface combatants and even submarines. For example, in the summer of 2011, landing vessels, destroyers, marines, and aircraft of the PLAN’s South Sea Fleet conducted a large-scale amphibious exercise based on a mock-up scenario of China’s winning back the South China Sea islands occupied by the other claimant states—the Philippines and Vietnam. Apparently, the PLAN believes in preponderant naval power to settle China’s territorial rows with smaller littoral states according to Chinese terms, and to force the U.S. Navy to steer clear of the disputed areas in the South China Sea. These exercises are undertaken to show China’s determination to resolve the dispute unilaterally and militarily, to flaunt its naval might, and to impress upon the other claimant states its “de facto” ownership of the contested maritime territories. China invests unlimited resources on its naval build-up in the South China Sea. The PLAN established a huge submarine base on Hainan Island that places its Southern Fleet closer to the disputed area.

Despite its naval build-up, however, China has sought to avoid extremely provocative naval deployments by giving responsibility for regular patrolling of politically sensitive waters and land features to vessels and aircraft from civilian agencies such as the State Oceanic administration, its subordinate Marine Surveillance Force and Bureau of Fisheries now integrated under the Chinese Coast Guard. China uses these civilian vessels to challenge and detain fishing boats from other littoral states, to explore and identify sites for Chinese oil drilling in the disputed waters, and to prevent other claimant states from deploying their seismic ships in energy-rich areas of the South China Sea. All these efforts are aimed toward one specific objective in the South China Sea—“to change the (territorial) status quo by force based on Chinese assertion, which is incompatible with the existing order of international law.”

In November 2011, during the 2011 G-20 Summit in Seoul, President Obama warned President Hu Jintao that the United States would move more warships to the seas off China. A year later, he told the Australian Parliament that with the end of American involvement in Iraq and Afghanistan, the United States is refocusing on the pervasively Chinese-influenced Asia-Pacific region. He also announced the stationing of 2,500 Marines in northern Australia for regional training missions and for securing the vital sea-lanes along the South China Sea. Incidentally, he mentioned that U.S.-Philippine military ties have been enhanced—in obvious reference to the latter’s territorial dispute with China.

The U.S. pivot to Asia is reflective of the Obama administration’s decision on taking the middle road between containment and appeasement of China after the diplomacy-based “constraint” policy failed. It signals a shift from a hedging policy to an outright commitment to strategically constrain China. In reality, the pivot to Asia expands rather than transforms U.S. defense policy in Asia since 1945—which is the maintenance of forward-deployed forces to guarantee America’s involvement in major regional developments.

The pivot strategy entails two interconnected strategic tasks: a) a geographical rebalancing of America’s priority from the Middle East and South Asia to the Asia-Pacific; and b) a shift from the Army-centric, expensive, troop-intensive, and counter-insurgency campaign to the establishment of robust conventional military capabilities to maintain U.S. technological edge in air and naval warfare. It was formulated at the time when China loomed large because of its naval build-up and aggressiveness in the South China Sea. In essence, the United States wants to deal with China from
a position of strength by backing up its diplomatic initiative with hard power. The pivot strategy was put to a crucial test during the Scarborough stand-off.

The 2012 Scarborough Stand-off

From April 9 to June 18, 2012, the Philippines was pitted against China in a tense naval stand-off at the Scarborough Shoal. A triangle-shaped, 150 square kilometers of barren reefs and rocky islets, the shoal is about 135 miles from the Philippines and 543 miles from China. Both countries have staked claims to the shoal and have figured in hostile encounters over control of the area since the late 1990s. The stand-off underscores China’s preferred maritime strategy. It involves “drawing a line” in the sea using civilian vessels to challenge littoral states that run the risk of exacerbating a critical situation by resorting to military means and engaging the PLAN ships lurking in the background.”

China’s stratagem is to put the onus on the use of force on these small littoral states—outclassed by its naval prowess—by bringing them to the brink of a naval confrontation to resolve what is essentially a maritime jurisdiction issue.

The stand-off began on April 10, 2012 when the PN’s frigate, the BRP Gregorio del Pilar, tried to apprehend several Chinese fishing boats at the Scarborough Shoal. However, two Chinese maritime surveillance vessels arrived and prevented the arrest of the Chinese fishermen who were hauling corals, clams, and live sharks into their boats. To defuse the tension generated by the incident, the Philippines replaced its surface combatant with a smaller coast guard vessel. Instead of reciprocating, China raised the stakes by deploying the Yuzheng 310—its most advanced and largest patrol vessel equipped with machine guns, light cannons, and electronic sensors. When the Philippines filed a diplomatic protest, the Chinese Embassy in Manila commented nonchalantly that the three Chinese surveillance vessels at the Scarborough Shoal were “in the area fulfilling the duties of safeguarding Chinese maritime rights and interests.” It stressed that the shoal “is an integral part of the Chinese territory and the waters around it are traditional fishing areas for Chinese fishermen.”

Clearly, this incident underscores an international reality—Chinese economic and naval power casts a long shadow over the Philippines and Vietnam, which are at the forefront of the maritime dispute with China in the South China Sea.

During the stand-off, media reports from Japan and Taiwan alleged that China’s South Sea Fleet had forward-deployed a flotilla of landing ships and a naval task force consisting of destroyers and amphibious assault ships in waters off the Philippines. Two days later, the PLA denied that the Guangzhou Military Region, the South Sea Fleet, and other units of the army had assumed a state of combat readiness against the Philippines. The PLA’s denial in the Chinese press underscored the heightened tension between the Philippines and China and the growing national belligerency toward the Philippines in particular and other claimant states in general. This media revelation was a double-edged sword. On the one hand, it disclosed the domestic clamor for a stronger and more confrontational action against the Philippines. On the other hand, it brought to light that some elements in the Chinese government and in the PLA were considering the use of force to resolve the impasse.

During the May 2012 Philippines-U.S. Bilateral Strategic Dialogue in Washington, D.C., Philippine Foreign Secretary Albert del Rosario made this unprecedented but
honest remark: “It is terribly painful to hear the international media accurately describing the poor state of the Philippine armed forces. But more painful is the fact that it is true, and we only have ourselves to blame for it. For the Philippines to be minimally reliant upon a U.S. regional partner . . . it, therefore, behooves us to resort to all possible means to build at the very least a most minimal credible defense posture.”\textsuperscript{52} Candidly, Secretary Del Rosario conveyed the Philippines’ vulnerability and uttered desperation in its naval deadlock with a militarily powerful China at the Scarborough Shoal, which is well within the Philippines’ EEZ.

Faced with the prospect of a Chinese armed attack, the Philippines appealed for diplomatic and military support from the United States. During the stand-off, the \textit{U.S.S. North Carolina} (SSN 777), a Virginia-class fast attack submarine, arrived at Subic Bay on May 13, 2012. The submarine’s visit hinted to China that the United States is prepared to honor its defense treaty commitments to the Philippines in case of an armed confrontation at the Scarborough Shoal. It also coincided with the report that the PLAN had mobilized its Southern Fleet for any eventuality.\textsuperscript{53} A month later, another nuclear-powered attack submarine, the \textit{U.S.S. Louisville}, made a port call to Subic Bay. Although these visits were routine port calls, the fact that they were made during the stand-off and were much-publicized intimated that the United States will not stand idly by while an ally is under the threat of an armed attack.\textsuperscript{54}

In mid-June 2012, the tensions abated somewhat when the civilian vessels left the shoal on the pretext of the onset of the typhoon season. On June 16, President Aquino recalled all Philippine vessels due to the onslaught of a tropical typhoon.\textsuperscript{55} On June 18, Chinese fishing boats headed back to port. The Chinese foreign ministry announced that with the withdrawal of the civilian ships, “We (China) hope (that) there will continue to be an easing in the situation and hope bilateral cooperation will recover and be safeguarded.”\textsuperscript{56} The following day, a ship dispatched by the China Maritime Search and Rescue Center assisted Chinese fishing boats leaving the area due to “rough sea conditions.”\textsuperscript{57} The coordinated withdrawal of Filipino and Chinese civilian vessels from the shoal happened while consultations between the two countries were ongoing. Despite this reciprocal action, both countries persisted in their claims of sovereignty over the shoal. After green-lighting the withdrawal of Filipino civilian vessels from the Scarborough Shoal on June 8, 2012, President Aquino admitted that Philippine-China relations have not normalized.

During the stand-off, President Aquino asked for a definite security guarantee when he met President Obama at the Oval Office on June 8, 2012. President Obama assured him that the United State would honor its obligations under the 1951 MDT. In a press conference, President Aquino said that the Philippine government needs the Pentagon’s assistance to upgrade the AFP’s capabilities to patrol the country’s extensive coastlines.\textsuperscript{58} He stated that he would welcome the deployment particularly of the U.S. Navy P-3C Orion and Global Hawk drones in the Philippines. He was also interested in acquiring U.S.-made land-based radars for the AFP to monitor the expanse of the South China Sea.

After the easing of tensions at the Scarborough Shoal, China began consolidating its control over the area. Crew members from the Chinese Maritime Surveillance vessels constructed a chain barrier across the mouth of the shoal to block the Philippines’ access to it. China also deployed these ships to protect the fleet of Chinese fishing boats operating deep into the Philippines’ EEZ. In October 2012, Chinese Foreign Minister Fu Ying, seeking a diplomatic solution to the dispute, visited Manila. How-
ever, instead of finding a mutually acceptable solution, the high-ranking official warned Manila not to do the following: 1) Appeal to the UN; 2) internationalize the issue in forums such as ASEAN; 3) coordinate with other countries such as the United States; and 4) issue any press release regarding the negotiations. In effect, she goaded the Philippines to accept in silence China’s de facto occupation of the Scarborough Shoal.

Philippine defense and foreign affairs officials, however, were not cowed into accepting China’s fait accompli. After two years of mulling over the concept of a rotational U.S. troop presence, Manila finally decided to enter into negotiations with Washington. In mid-October, the Philippine government invited the U.S. Navy to return to Subic Bay Free Port for year-round exercises to counter external threats, and to prevent crisis situations from escalating into armed confrontations. During the last official visit of out-going U.S. State Department Assistant Secretary Kurt Campbell to the Philippines in December 2012, the Philippines’ Department of Foreign Affairs announced that the two countries came up with “work plans for stronger and closer cooperation in maritime security, defense, economic ventures, diplomatic engagement, and support of the rule of law.”

The Agreement on Increased Rotational Troop Presence

The Scarborough Shoal stand-off and later, China’s occupation of the shoal made it crucial for Manila to negotiate the “Framework Agreement on Increased Rotational Presence and Enhanced Agreement (IRP)” with Washington. The agreement facilitates the deployment of American troops and equipment on a rotational basis, thus skirting the controversial issue of re-establishing U.S. bases in the country. Curiously, the negotiation was conducted against the backdrop of recurring tension between the Philippines and China over the South China Sea. With its small and obsolete naval force and an almost non-existent air force, the Philippines relies on the United States for technical military assistance through the periodic visits of American forces conducting joint training, humanitarian missions, and disaster response operations. More significantly, the Philippines banks on the deterrent effect that is generated by the temporary deployment of U.S. forces and their equipment in its territory.

In negotiating a framework agreement, Manila recognizes that “while the AFP can still perform its internal security operations on a limited basis, it may not be able to sustain a prolonged campaign of considerable magnitude against formidable external threats.” Hence, the AFP is in a precarious situation should potential disputes escalate into an armed conflict. In this worst-case scenario, the Philippine military has to depend on its alliance with the United States until such time that the former is capable of effectively responding to any potential conflicts. Without credible territorial defense capabilities, “the alliance with the U.S. serves as the Philippines’ principal deterrence against any external threats.”

Coincidently, the Philippines’ agenda of relying militarily on the United States jibes with the Obama administration’s 2013 Strategic Defense Guidance. The guidance provides for the deployment of more U.S. forces forward-deployed in East Asia that are “geographically distributed, operationally resilient, and politically sustainable.” The plan is to shift many of the most advanced U.S. air and naval assets in the region and to station them temporarily in the bases of allied countries through access
arrangements and rotational deployments. This arrangement enables the U.S. military to conduct exercises and operations that demonstrate American commitment to its allies and security partners. In line with this set-up, the Pentagon implements a three-year program to boost the credibility of U.S. maritime presence in Philippine archipelagic waters through the rotational troop deployment. The program requires improved Philippine port infrastructure, equipment upgrade, secured communication for greater interoperability between the U.S. military and the AFP, assistance in Philippine inter-agency planning, and coordination at the ministerial and operational levels.

On August 14, 2013, the negotiations for a framework agreement started in Manila. Earlier, the Pentagon clarified that it is strengthening its military presence in Southeast Asia not by establishing huge (permanent) bases reminiscent of the Cold War but by maintaining a light (strategic) footprint in the region. This policy statement reassured Manila that Washington has neither the desire nor the interest to create U.S.-only bases in Southeast Asia.” To further emphasize this point, U.S. Defense Secretary Chuck Hagel visited Manila on August 30, 2013, and asked the Philippines to consider a rotating U.S. troop presence in the country. He emphasized that “the United States doesn’t need permanent bases, but instead permission to rotate through its forces for regular exercises or in times of crisis.”

During a hearing, Philippine defense and foreign policy officials briefed the Philippine Senate on the following principles governing the forthcoming negotiations for the framework agreement: a) The United States does not intend to establish a permanent military presence in the Philippines; b) U.S. access and use of Philippine military facilities and areas will only happen at the invitation of the Philippine government; and c) the agreement should be mutually beneficial in developing the individual and defense capabilities of both parties. Philippine defense officials also reasoned out to Philippine legislators that allowing a rotational U.S. troop presence in the Philippines would hasten the modernization of the country’s military in light of the AFP’s build-up of its territorial defense capabilities because of the country’s territorial dispute with China.

From IRPA to EDCA

The eight-month negotiations focused on the technicalities such as implementation procedures, prepositioning of American supplies and materiel, security, ownership of facilities, environmental protection, utilities and communication, resolution of disputes, and duration and termination of the pact. The talks, however, bogged down on the issues of duration, jurisdictions, and access. On the one hand, the U.S. side favored an indefinite period for the agreement, and the exclusive control and jurisdiction over the facilities that American forces will build and use inside the AFP bases. On the other hand, the Philippine panel wanted a definite period for the agreement’s termination, and unhampered access of Philippine base commanders to the facilities American forces will utilize inside the AFP camps.

After five rounds of negotiations and restructuring of the Philippine panel, the two sides came up with the working draft of the agreement incorporating the Philippine positions regarding the country’s constitutional red lines. By March 31, the Philippines announced a new security agreement expanding American rotational deployment in
Southeast Asia was finalized. On the eve of President Obama’s visit to the Philippines on April 28, U.S. National Security Council Director for Asian Affairs Dr. Evan Medeiros announced that American forces would have temporary access to selected Philippine military bases and the permission to preposition fighter jets and ships. He described the agreement as “the most significant defense agreement that the United States has concluded with the Philippines in decades.”

The following day, Defense Secretary Voltaire Gazmin and U.S. Ambassador to the Philippines Philip Goldberg signed the EDCA a few hours before President Obama arrived in Manila for his first State Visit. Actually, EDCA is not a new agreement since it merely updates and enhances the 1951 Mutual Defense Treaty. This executive agreement provides the framework by which the Philippines and the United States can develop their individual and collective (defense) capabilities. Such task can be accomplished through the rotational deployment of American forces in Philippine bases. The EDCA allows American forces to utilize AFP owned and controlled facilities but the Philippine base commander has unhampered access to those locations. Likewise, the U.S. military can build or improve the infrastructure inside these installations: nevertheless, the AFP can jointly use them. This will ensure that there will be no return to the pre-1992 U.S. bases in the Philippines since the AFP will have access to these facilities; while U.S. forces will not be permanently based in these installations as they will be rotated through these infrastructures much like the current arrangements with the U.S. Joint Special Operation Task-Force—Philippines (JSTOF-P) in Mindanao and in Darwin, Australia. Furthermore, any construction and other activities within the Philippine bases require the consent of the host country through the MDB and Security Engagement Board (SEB).

In essence, the framework agreement incorporates the U.S. Air Force’s “Checkered Flag” system, whereby tactical air units in the United States were assigned to European bases for training and familiarization. During the Cold War, U.S.A.F’s tactical squadrons were rotated in Europe for two years to familiarize them with overseas bases prior to actual combat deployments. The current goal is to train Air Force and National Guards squadrons on a “force-on-force” basis in the environment where they could actually fight. In this arrangement, the Pentagon, in the absence of new bases, relies on “faces not places” and ramps up the number of temporary assignments to the Pacific Command’s area of operations and responsibility. The system involves bringing American tactical units—personnel and their equipment—to allied bases in East Asia to plan and exercise contingency missions for a crisis or conflict situation.

Once the agreement is implemented, a small contingent of the U.S. forces can be deployed in Philippine territory temporarily. As part of the shift to Asia, the U.S.A.F. movement in Asia has already begun with the assigning of twelve F-22s to Kadena Air Base in Japan on a four-month rotation, and the deployment of twenty-four F-16s at the Kunsan Air Base in South Korea for three months. In the case of the Philippines, there is a possible stationing of a squadron of U.S. Marine fighter planes in a PAF base for six months. Then, this unit will be replaced by a U.S. Navy fighter-bomber squadron that will be stationed in another PAF base for another six months. The U.S. military presence strengthens the Philippines’ resolve to uphold its territorial claims as well as to test American credibility to honor its defense commitment to the Philippines. More importantly, the EDCA can convince other claimant states such as Vietnam and even Malaysia, to bolster their military relations with the United States.
based on terms and conditions acceptable to them.86

On a strategic level, the EDCA undercuts China’s Anti-Access/Area-Denial Strategy in Southeast Asia even without the U.S. establishing any permanent base in the region. Since the late 1990s, American defense analysts have noticed that the PLA has been developing strategies and acquiring weapon systems that can disrupt American U.S. naval/air operations or slowing down the deployment of American air and naval forces to the theater of operations.87 The Chinese can prevent U.S. forces from operating from certain locations within the theater of military operations, or can force the U.S. Navy’s ships and planes to operate from distances farther than the U.S. military would prefer otherwise.88

Through the EDCA, however, U.S. forces can implement innovative forms of access arrangement in the Philippines, namely:89 a) forward operating sites—expandable warm military facilities with limited U.S. military support presence; and b) cooperative security locations—facilities with little or no permanent American presence and are maintained by the host-nation. These are less expensive, less visible, and less vulnerable access arrangements that offer greater strategic and operational flexibility. They are less likely to create local political problems and are expected to promote long-term security cooperation between the United States and the Philippines. More significantly, these operationally flexible facilities located all over a sprawling archipelagic country located near China can complicate the PLA’s anti-access/area/denial strategy. Moreover, the use of air and naval infrastructures all over the country will facilitate the rapid and massive deployment of American forces in case of an armed confrontation in the South China Sea, and possibly even in the East China Sea. Though the maritime row in the South China Sea will be a long-term security challenge and will never be solved solely through force, the potential for an armed conflict requires the presence of an effective U.S. deterrent force in the region. The EDCA is aimed to produce this deterrence posture.

Consequently, the Aquino administration has demonstrated the political will to facilitate greater U.S. strategic access to the Philippines despite the opposition of nationalist elements and militant left-wing organizations. The Philippine government expects a backlash of public discomfort with its relying too much on its only strategic ally.90 In late May 2014, two former senators and 10 other petitioners asked the Philippine Supreme Court to stop the implementation of the EDCA that is pending the resolution of its constitutionality, and claimed its alleged adverse implications on Philippine sovereignty and national interests.91 The petitioners argued that the agreement violates the constitution because it sets up de facto U.S. bases on Philippine territory, and that, contrary to the government claim that it is an executive agreement, it is actually a treaty that must be ratified by the Philippine Senate. The Aquino administration, in turn, reaffirmed the constitutionality of the agreement and announced that it is prepared to defend its conformity to the Philippine Constitution in the Supreme Court.92

Furthermore, close security ties with the United States limit the country’s room for diplomatic maneuvering if China opts for an amicable settlement of the territorial row. In the long run, closer security relations with the United States will adversely affect the vibrant Philippine-China trade relations. The Aquino administration, however, is willing to stake its political capital as it prepares to weather the massive protest and economic fall-out that a U.S. strategic footprint in the Philippines could generate.
Conclusion

Since President Obama announced the U.S. strategic pivot to Asia two years ago, the Philippines has given its all-out support for the policy to enhance its partnership with its ally; specifically, the expedited agreement on increased rotational presence of American troops and equipment in its territory. This thrust stems from President Aquino’s decision to counter China’s aggressive assertion of sovereignty over most of the South China Sea. President Aquino ordered the shift of the AFP’s focus from internal security to territorial defense. He took steps to hasten the AFP modernization program, which the Philippine Congress supports by allocating funds for the acquisition of military hardware.

As mentioned earlier, however, the Aquino administration lacks the resources even for a modest but credible territorial defense capability. Thus, it has desperately sought to clarify the extent of American security guarantee as provided for in the 63-year-old MDT. Eventually, the Philippines favorably weighed the option of increased rotational presence of U.S. forces on its territory when it dawned its security could only be ensured if American forces are deployed near the South China Sea. In the final analysis, the U.S. strategic pivot to Asia and the tense Scarborough Shoal prompted the negotiations and signing of a framework agreement on enhanced defense cooperation. This agreement, which has secured for the United States a broader strategic footprint on Philippine territory, illustrates that a small power like the Philippines—when confronted by an emergent and potentially expansionist power—is not necessarily helpless since it has foreign policy choices, as well as the power to map out its own destiny.

Notes

8. Small or minor powers are generally small or even medium-sized states whose territory, population and resource-base make it difficult for them to defend themselves against external military attacks or other forms of big power intervention. See Laura Neack, The


12. Ibid., 13.


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


23. Greg 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.


28. Ibid., 1.


38. Ibid., 20.


47. Ibid.


49. William Chong, “Path to Scarborough Far from Fair.”


54. Ibid., 1.


56. Ibid., 2.

57. Teddy Ng, “Stand-Off Eases as Sides Withdraw Ships from Shoal Beijing Follows Manila
in Pulling Vessels out of Disputed Area because of Bad Weather,” *South China Morning Post*, June 19, 2012.
63. Office of the Plans and Program (J-5), *Strategic Direction of the Armed Forces of the Philippines (AFP) International Military Affairs* (Camp Emilio Aguinaldo, Quezon City), 1.
64. Ibid., 2.
65. Ibid., 2.
67. Ibid., 9.
69. Ibid., 1.
71. Ibid.
73. Ibid.
76. Ibid.
83. Ibid., 1.
84. Ibid.
85. Ibid.
86. Whitlock, “U.S. Seeks to Expand,” 1.
88. Ibid., xvii.
89. For details regarding this new forms access arrangements see Robert Harkavy, “Thinking about Basing,” Naval War College Review 58, no. 3 (Summer 2005): 12–42.

Notes on Contributor

Renato Cruz De Castro is a professor in the International Studies Department, De La Salle University, Manila, and the holder of the Charles Lui Chi Keung Professorial Chair in China Studies. He was the U.S. State Department ASEAN Research Fellow from the Philippines and was based in the Political Science Department of Arizona State University in 2009. He earned his Ph.D. from the Government and International Studies Department of the University of South Carolina as a Fulbright Scholar in 2001. He obtained his B.A. and two masters degrees from the University of the Philippines. His research interests are Philippine-U.S. security relations, Philippine defense and foreign policies, U.S. defense and foreign policies in East Asia, and International Politics of East Asia. He has written over 70 articles on international relations and security that have been published in a number of scholarly journals and edited works in the Philippines, South Korea, Canada, Malaysia, France, Singapore, Taiwan, Germany, the United Kingdom, Australia, and the United States. His most recent published articles are: “Linking Spokes Together: The Philippines Gambit of Harnessing the United States’ Alliances in its External Balancing Policy against an Emergent China,” Pacific Focus XXIX, no. 1 (April 2014): 140–66; “The Aquino Administration’s Balancing Policy Against an Emergent China: Its Domestic and External Dimensions,” Pacific Affairs 87, no. 1 (March 2014): 5–28; “China and Japan in Maritime Southeast Asia: Extending their Geo-strategic Competition by Competing for Friends,” Philippine Political Science Journal 32, no. 4: 150–69; “The Obama Administration’s Strategic Pivot to Asia: From a Diplomatic to a Strategic Constrainment of an Emergent China,” Korean Journal of Defense Analysis 25, no. 3 (September 2013): 331–49; and “Territorial Disputes, Realpolitik, and Alliance Transformation,” Issues and Studies 49, no. 1 (March 2013): 141–77.