

Philippines-China Relations: Sailing beyond Disputed Waters

Edited by
Teresita Ang See
Chito Sta. Romana

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SAILING BEYOND DISPUTED WATERS
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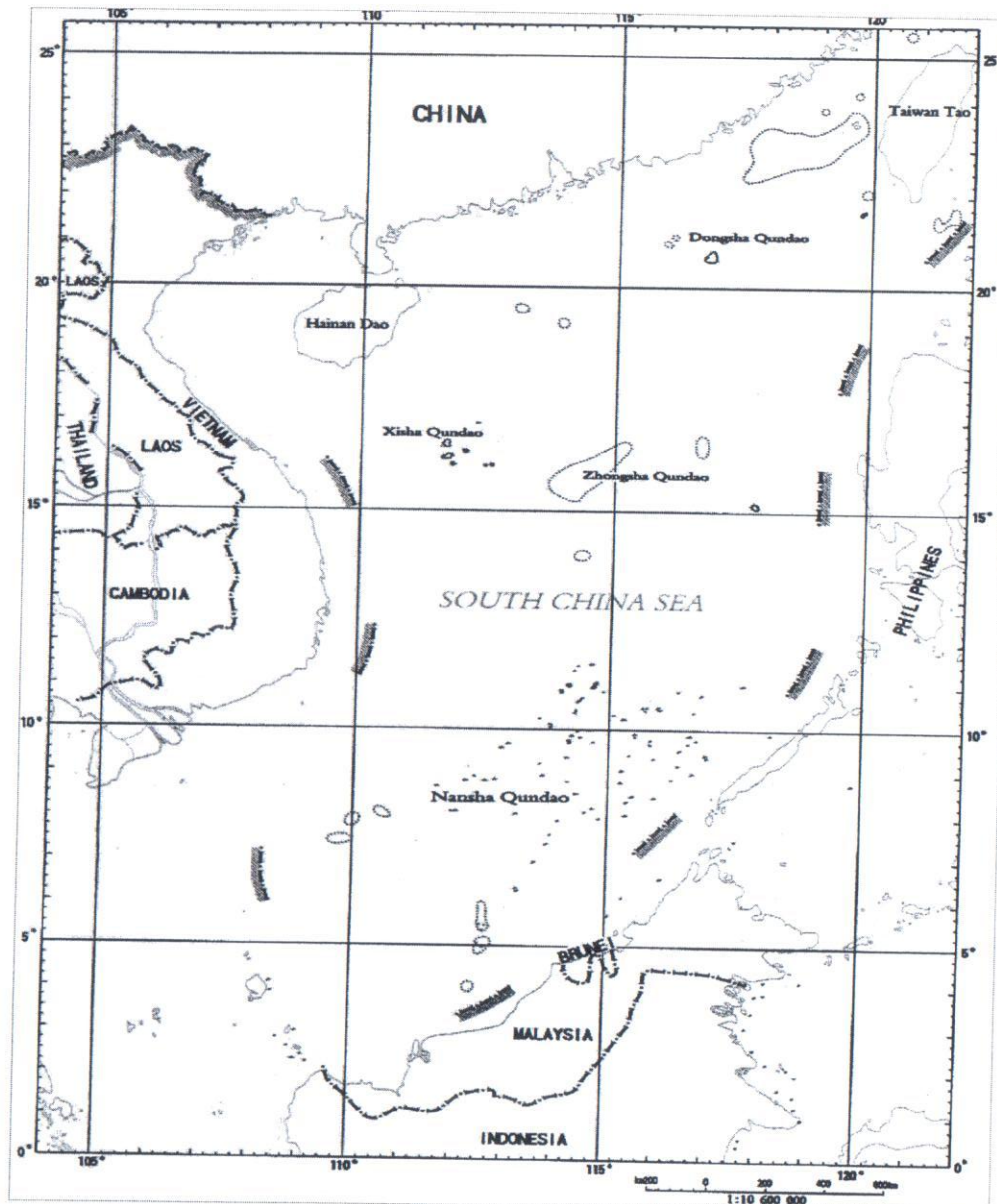
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Preface



China's South China Sea map showing the nine-dash line. (Courtesy of SinoMaps Press.)
Source: RUSI Online. Royal United Service Institute. September 3, 2013. Web. September 20, 2013.

The Philippine Association for Chinese Studies (菲律賓中華研究學會), or PACS, was organized in 1987 with the objective of enhancing better understanding and promoting wider dissemination of information, insights and ideas on issues and concerns in Philippines-China relations, China, and the Chinese overseas.

We've witnessed the waxing and waning of Philippines-China relations through the years. In years when relations were good, we were there to help preserve good relations and promote greater cooperation. In years like the present, when relations are arguably at its worst, we found our presence even more significant as we play our roles as bridges of understanding and communication between the Chinese and the Filipinos.

In April 2013, PACS organized a delegation to engage academics, policy and opinion makers in China in a series of dialogues on Philippines-China relations in general and on the South China Sea dispute in particular. A summary of the dialogues is given in the Epilogue (212-217) of the nine chapters in this journal.

We found in our April dialogue that opening up channels of communication and exchanging views are the most effective means to enhance understanding and promote better relations. This coming December 2013, PACS is inviting selected counterparts we met in China to come to the Philippines and deepen the discussion we started in April.

This issue of the journal was originally prepared as background

reading material for participants to the symposium and dialogues PACS is organizing for the China delegates and their Filipino counterparts.

But this volume also serves as a useful educational resource for all those interested in understanding the issues underlying the territorial and maritime disputes between the Philippines and China.

The articles are divided into three parts: disputes, domestic policies, and cooperative efforts.

Some of the articles were published earlier. Our copy editors did their best to make all the footnotes and references, paragraph styles, and format consistent but kept the styles of the articles in their original published form, except for styles like using American rather than British spellings.

This volume is offered to people who are concerned with the deterioration of Philippines-China relations and wish to understand the irritants and the gap of misinformation as well as to learn what can be done to resolve the issues that divide and focus on issues that unite.

EDITORS

Teresita Ang See

Chito Sta. Romana

1 **Waltzing With Goliath: Philippines' Engagement with China in Uncharted Waters**

Aileen San Pablo-Baviera

The bilateral relationship between China and the Philippines – two countries that are vastly different in size, political system, economic strength, and military power – may be more important than their asymmetry and dissimilarity might otherwise suggest.

China's importance to the Philippines needs little explanation, and is for the most part no different from how other regional states value China as an engine of economic growth, and an important player in preserving regional and global stability. What may be of particular interest is the proposition that, from the perspective of China's aspiration of becoming a comprehensive power, the Philippines may be deemed strategically important to China for at least four reasons: It is one of the claimants to South China Sea islands and waters that are also claimed by China; it is a founding member of Association of Southeast Asian Nations (ASEAN) and one that is influential on certain issues, including the South China Sea disputes; it is formally a military ally of the United States and maintains close security ties with Washington; and it flanks Taiwan geographically.

2 The State of Anarchy and Security Situation in the South China Sea: Difficulties in Passing a Code of Conduct after the Scarborough Standoff

Rommel C. Banlaoi

At the opening day of the 18th Congress of the Communist Party of China on November 8, 2012, outgoing President Hu Jintao stressed the need for China to become a maritime power in order to “safeguard China’s maritime rights and interests.”

Though President Hu Jintao’s concept of maritime power would be subject to many interpretations, he delivered his speech against a backdrop of increased security tensions in the South China Sea. To manage the simmering territorial conflicts, China and members of the ASEAN have been talking about the contested issue of the Code of Conduct (COC) in the South China Sea since January 2012.

However, the passage of the COC remains elusive as China still fails to fully commit on the proposed code even as it has already completed its leadership transition in March 2013. Moreover, ASEAN members remain divided on some specific aspects of the proposed COC even as they reached consensus already on some key points of the said proposal.

3 China’s Claim in the South China Sea: A Historical Burden

Chito Sta. Romana

The stalemate over the Scarborough Shoal is the latest in a series of recent incidents in the diplomatic tug-of-war between the Philippines and China over a number of islands and reefs in the South China Sea. From

a Filipino perspective, the root of the problem lies in Beijing’s assertion of its historical claim to the islands and waters of the South China Sea, or what Manila now calls the West Philippine Sea. With its long civilization, China claims that the Scarborough Shoal was first discovered in the 13th century when the Yuan dynasty emperor, the Mongolian leader Kublai Khan, ordered a survey of the South China Sea.

4 Scarborough Dispute and Standoff in Asean Forum on Code of Conduct

Benito O. Lim

The debate on the failure of the 45th ASEAN Foreign Ministers’ Meeting July 9, 2012 to issue a joint communiqué appears to be unending especially among geopolitical analysts from the United States, the Philippines, Vietnam and Australia.

According to some observers, the differences among the ASEAN foreign ministers had already caused a “nasty crack” within ASEAN over how best to deal with the disputes among the claimants in the South China Sea. And for some it was “a first in diplomatic bumbles in its 45-year history.”

5 The 2012 Scarborough Shoal Standoff: A Philippine Perspective

Jay L. Batongbacal

Will United Nations Convention on the Law of the Sea (UNCLOS) fail in the South China Sea? The system of allocation of ocean space offered by UNCLOS does not appear to have commonly improved the situation in the South China Sea, on account of still-festering disputes.

UNCLOS, from one perspective, may have even exacerbated the issues because the littoral states have differed in both their

interpretation and implementation of its provisions. Whereas the turn of the millennium seemed to indicate progress toward common ground and a possibility of settlement, a decade later it seems that the situation suddenly took a radical turn for the worse.

The re-opening of the divide and intractable positions of the littoral states were sensationally demonstrated in the case of the Philippines and China in the 30th year of the UNCLOS. Whereas the Philippines, after huge internal debate (which some advocates still refuse to end), was finally moving toward full implementation of the UNCLOS maritime zones, particularly the EEZ and continental shelf, China persisted with the so-called “nine-dash line” claim and more forcefully asserted its exceptionalist position.

6 Filipino Media and Public Opinion on the Philippines-China Disputes in the South China Sea: A Preliminary Analysis

Sascha M. Gallardo and Aileen S.P. Baviera

This paper shares preliminary findings from a review of Philippine public opinion and stakeholders’ perceptions in response to tensions with China surrounding conflicting claims to territory and maritime jurisdiction. It draws largely from open media sources, and covers the years 2011-2012, significant because of two major incidents that led to crises in bilateral relations – the Reed Bank incident in 2011 and the Panatag Shoal standoff in 2012.

The picture that emerges from this review is mixed. The perception of a growing threat from China have helped unite opinion on 1) the importance of the sovereignty issue and territorial integrity in the face of an external challenge; 2) the appropriateness of the Philippine approach with its emphasis on reliance on diplomacy and international

law; 3) the desirability of solidarity with neighbors, allies, and the international community as a whole; and 4) the need to strengthen the nation’s capability for dealing with similar concerns in the future, including military and law enforcement capability. There is less clarity or unity of perception, however, in relation to specific strategies which include, among others, the question of whether U.S. should play a role and if joint development of resources is still an option for future consideration.

7 Philippines and China: Conflict or Cooperation?

Chito Sta. Romana

Philippines-China relations have deteriorated since the maritime standoff at Scarborough Shoal in April 2012, hitting the lowest point since the establishment of diplomatic ties between the People’s Republic of China and the Republic of the Philippines in a joint communiqué signed on June 9, 1975. From recent developments, it is quite evident that China will remain a major challenge for Philippine diplomacy in the foreseeable future.

8 China’s Economic Development Assistance to the Philippines: A Preliminary Assessment

Aurora Roxas-Lim

The paper is a preliminary assessment of China’s economic development assistance projects under its Overseas Development Assistance (ODA) program in the Philippines. Three projects – the Philippine-Sino Center for Agricultural Technology (PhilSCAT) in Muñoz, Nueva Ecija; the Banaoang Irrigation Project in Ilocos Sur; and the General Santos Fish Port in General Santos, Sarangani, Mindanao – are part of the Agriculture and

Fisheries Modernization Act 8435. Field research was undertaken during summer vacations from 2002 to 2008 in Nueva Ecija, Ilocos Sur, and General Santos. Hence, the observations and analysis presented in this paper are limited to these years.

China's Development Assistance Program increased in the 1990s when the country emerged as one of the world's leading economic and manufacturing centers in the world. This enabled her to amass at least US\$1.797 trillion reserves in 2007. To harness this huge amount of cash, China decided to invest in other countries by undertaking joint economic ventures and extend economic development assistance projects abroad.

In the case of the Philippines, China initiated economic development projects in earnest in 1999 to 2000. The paper discusses three ongoing and completed projects, the terms of agreements, the agencies involved, and their respective obligations.

The paper brings up implications on future studies of our country of the impact of a vast country like China whose people, civilization, governmental policies and foreign relations impinge on internal Philippine developments. The paper proposes that any serious study of social, economic and political developments of a small, developing country like the Philippines must take into account our relations with other countries, much more so with our relations with China. Finally, while the paper presents the technical and administrative problems that deter the full implementation of the projects, the discussion will bring up the social-cultural circumstances that tend to impede successful completion of the projects, and provide tentative suggestions on how China's ODA projects may be improved.

9 Perspectives on Joint Development in the South China Sea

Aileen S.P. Baviera

The paper examines practical implications of the proposed formula of "shelving disputes and promoting joint development" from a Philippine perspective. The formula evinces a pragmatic approach that will allow various stakeholders in the South China Sea disputes to benefit from various possible forms of cooperation, while contributing to peaceful management of the territorial and maritime conflicts. The problem is in the first part of the equation, as believing that all parties are indeed ready to "shelve disputes" requires a leap of faith and a large amount of trust which simply is not warranted, especially given power asymmetry among claimant states and recent developments in the East Asian maritime domain characterized by acts of assertiveness and intimidation.

The paper explores the concerns of the Philippines more specifically by examining the Philippine position on the "Joint Marine Seismic Undertaking" (JMSU) among Manila, Hanoi, and Beijing (2005-2008) and its recent proposal of a "Zone of Peace, Freedom, Friendship, and Cooperation" (ZoPFF/C). The JMSU, implemented during the Arroyo government, albeit framed as a "non-governmental" agreement among state-owned oil companies and limited to non-exploration activities, was largely seen as a precursor to joint development and had the potential for transforming the disputed area in the Spratlys into a zone of cooperation. It failed because in the perception of the Filipinos, Arroyo had gone too far in "shelving sovereignty" to the point of violating the Philippine constitution. In contrast, the Aquino government put forward its own ZoPFF/C proposal which calls for "defining the disputed and undisputed areas before discussing joint development."