

The Philippines between ASEAN and China

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Diagram 1: Security in Southeast Asian states (Cold War)

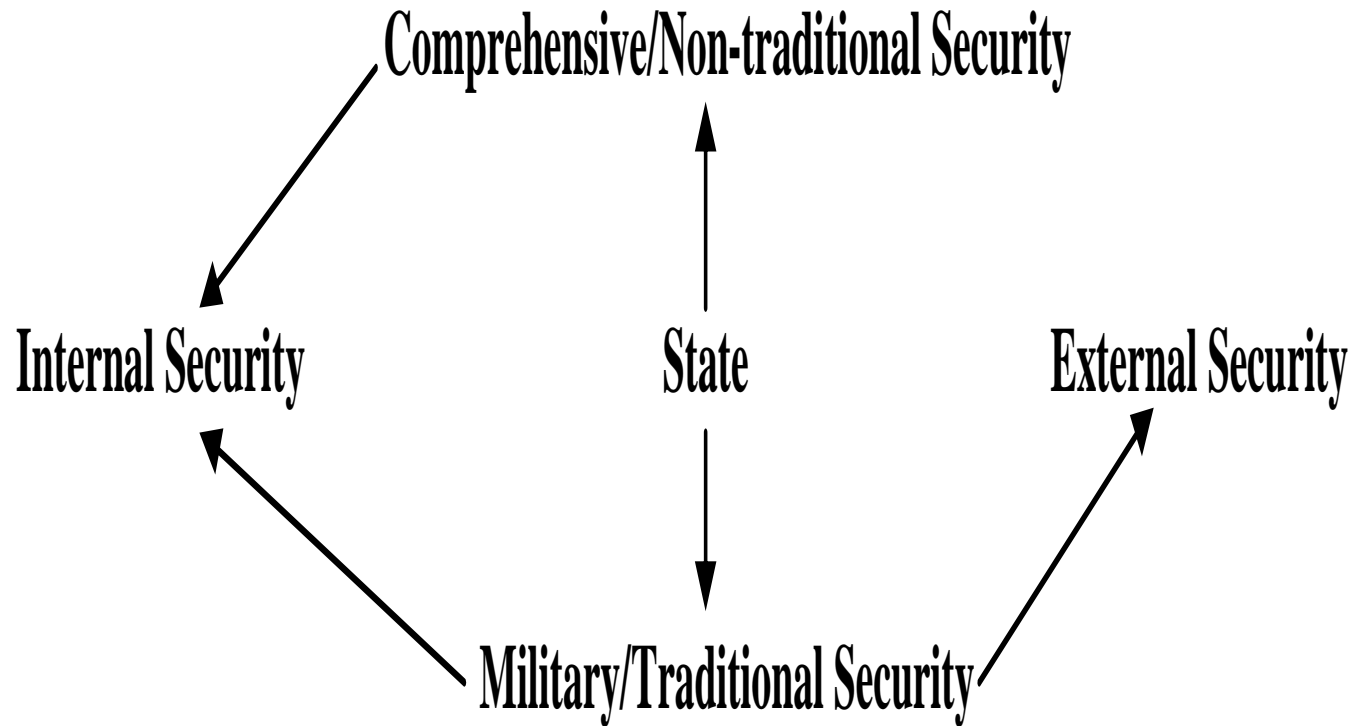
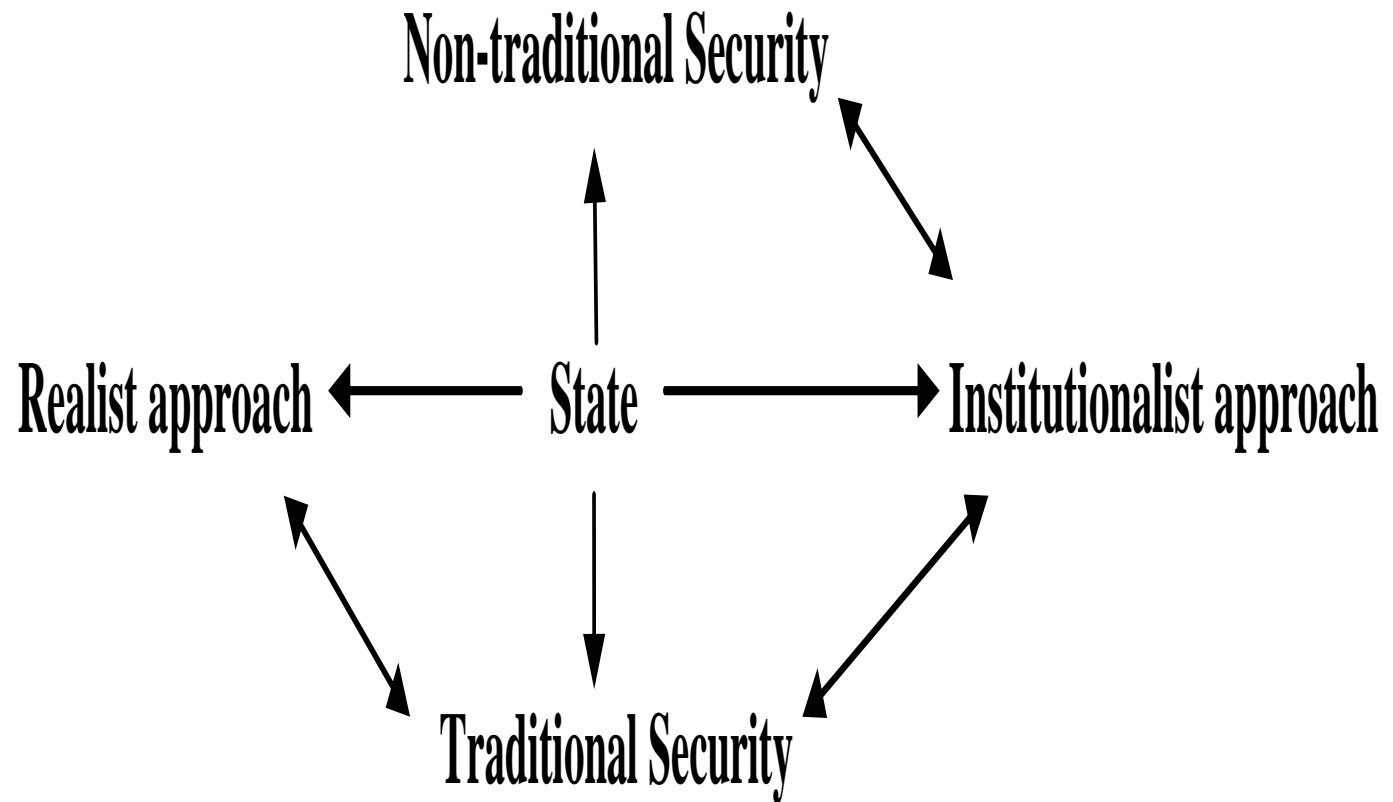
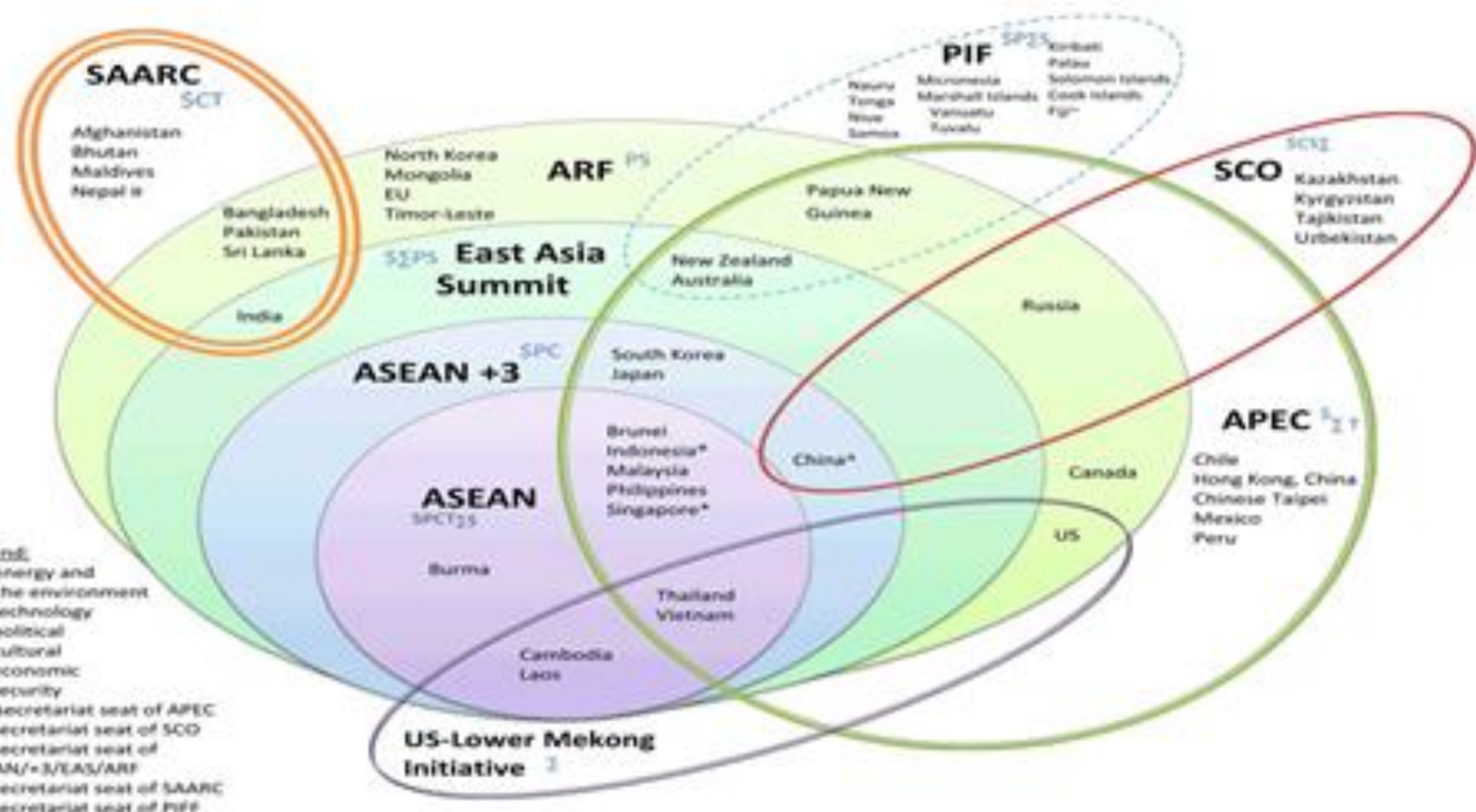


Diagram 2: The security dynamic in Southeast Asia post-Cold War



Asia Pacific regional architecture



Legend:
 Z : energy and the environment
 T : technology
 P : political
 C : cultural
 S : economic
 S : security
 * : secretariat seat of APEC
 † : secretariat seat of SCO
 ‡ : secretariat seat of ASEAN/+3/EAS/ARF
 § : secretariat seat of SAARC
 ¶ : secretariat seat of PIF

Bilateral Alliances

- Hub and spokes system
 - San Francisco system (Tow 2012)
 - » US-Japan
 - » US-ROK
 - » US-Australia
 - » US-Thailand
 - » US-Philippines
- US security umbrella
 - Cold War
 - Post-Cold War structure
 - Post-unipolar system

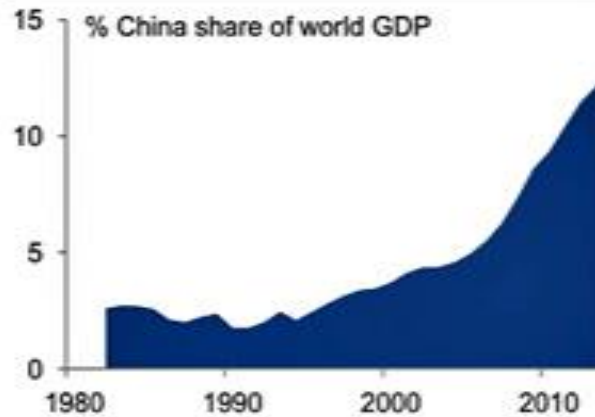
Emerging security order

- End of US world order (Acharya 2014)
 - Imperial overstretch (Kennedy 1987)
- Rise of China
 - Economic rise → political and military power
 - US pivot to Asia
- Prominence of territorial disputes
- Emerging power dynamics
 - Hugh White thesis

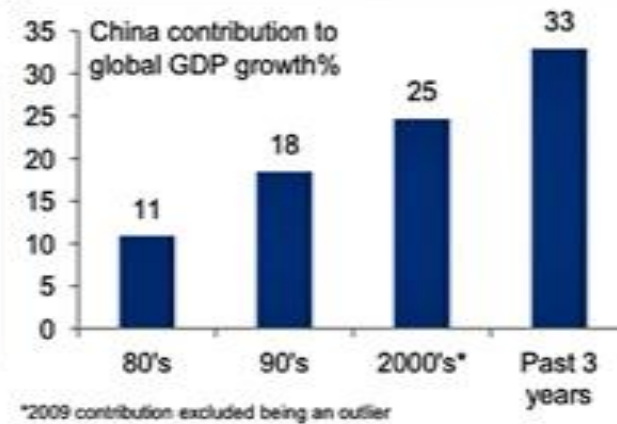
Rise of China



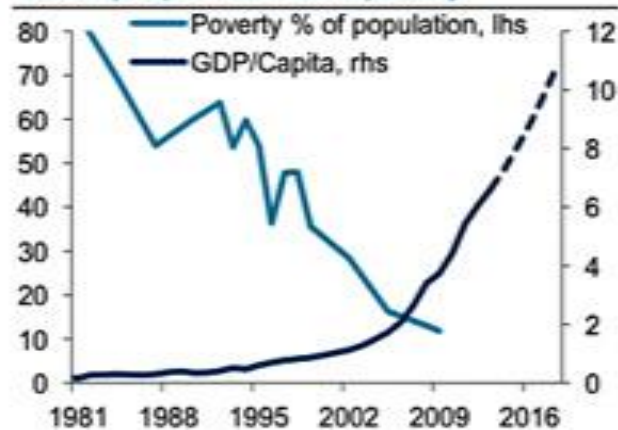
Share of world GDP doubled in 6 years



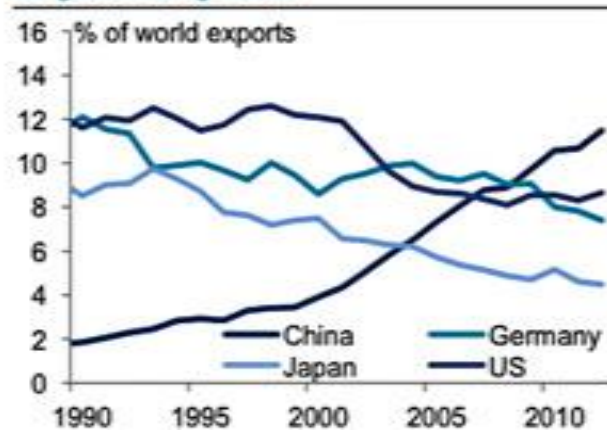
Largest driver of global growth



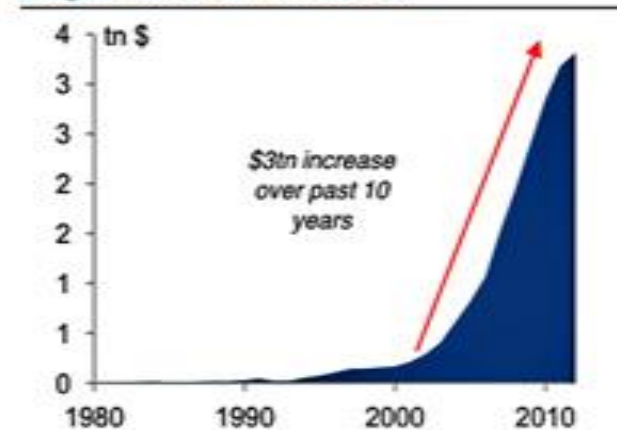
~500m people lifted out of poverty



Largest trading nation



Largest holder of FX reserves

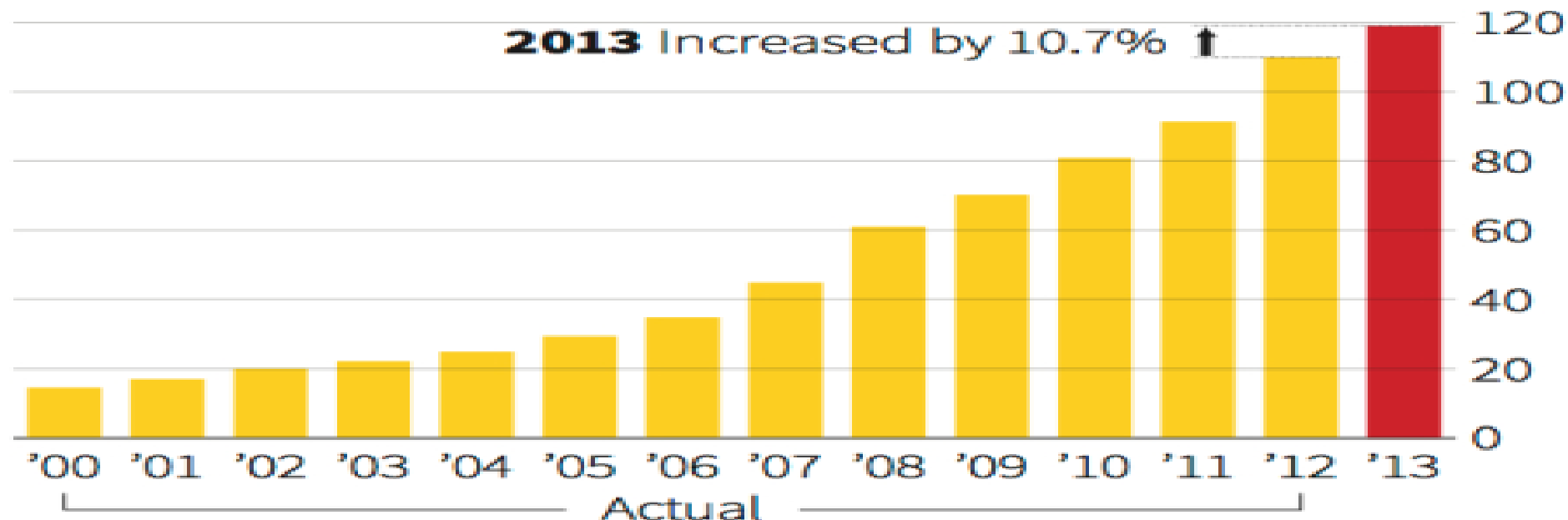


China's Defense budget

China's defence budget

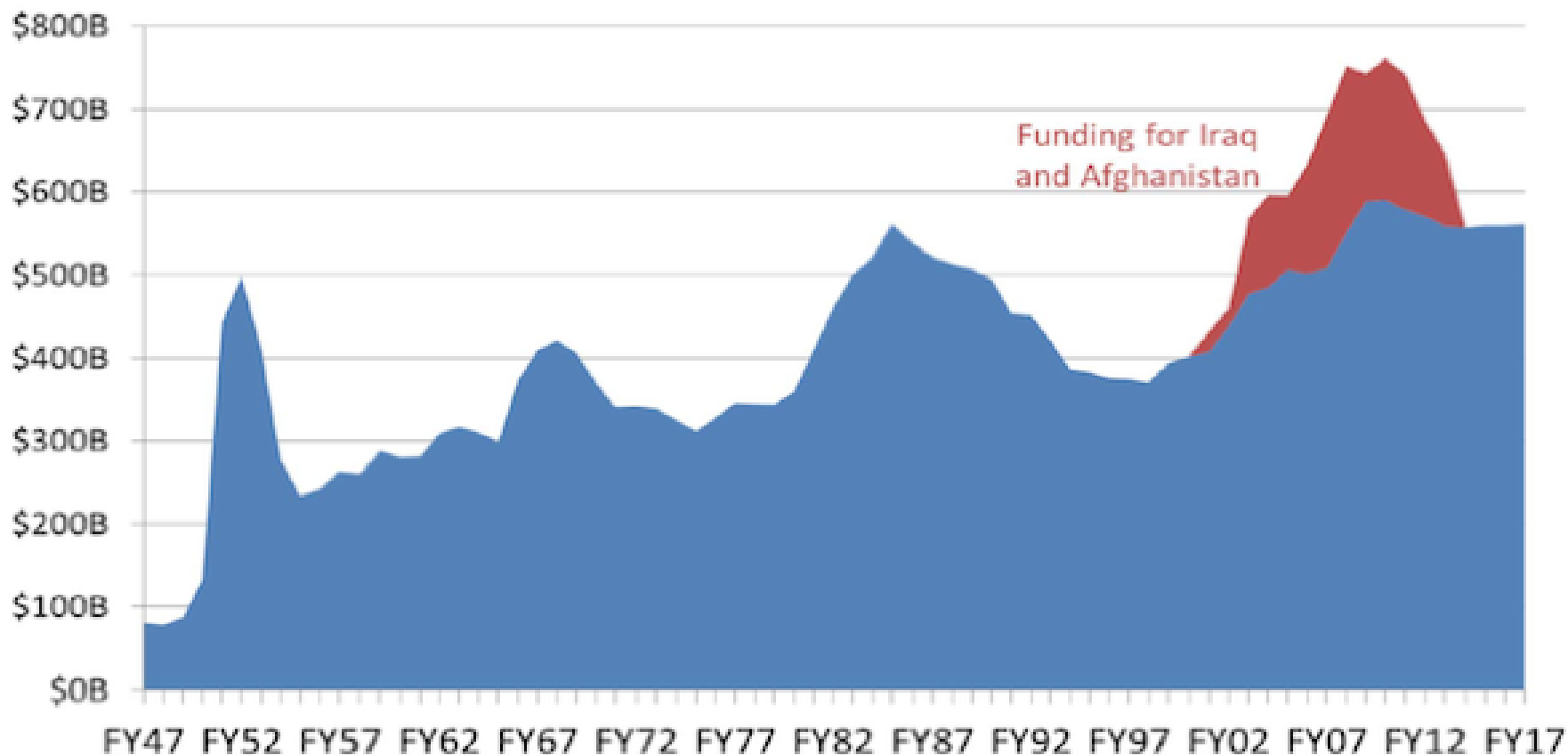
China will raise military spending by 10.7 percent this year to 740.6 billion yuan (\$119 billion), the government announced on Tuesday.

DEFENCE BUDGET — IN BILLIONS OF DOLLARS



US Defense Budget

National Defense Budget Authority (in FY 2013 dollars)



Building a China-centric regional structure

- One Belt, One Road (OBOR)
 - Silk Road Strategy
 - Maritime Silk Road
- Asian Infrastructure Investment Bank (AIIB)
- Shanghai Cooperation Organization (SCO)
- Track two initiatives on regional security

Building an ASEAN Community

- Three pillars
 - ASEAN Economic Community
 - ASEAN Socio-Cultural Community
 - ASEAN Political-Security Community
- ASEAN Centrality
- ASEAN as an important part of Philippine diplomatic strategy

Prospects for ASEAN

- ASEAN disunity on strategic issues
 - Phnom Penh 2012 and Vientiane 2016
 - Very close economic ties with China among ASEAN states within continental Southeast Asia juxtaposed with close strategic ties with the United States among a number of countries among maritime states in Southeast Asia
- Change of rhetoric from ASEAN Community to ASEAN Economic Community
- Diminishing strategic significance
 - Wherefore ASEAN Centrality?

Which direction to go?

- Option 1: Accept increasing competition between US and China is the future context within which the Philippines has to navigate its interests
 - Diminished role for ASEAN strategically
 - ASEAN Economic Community becomes the only fulcrum of ASEAN
- Option 2: Strengthen ASEAN unity and try to sustain a strategic role for ASEAN in a bid to continue management of regional security within the context of “ASEAN Way”

Which direction to go?

- Navigate between these two extreme conditions and seek to strengthen ASEAN while keeping the two superpowers engaged economically and politically