STRATEGIC INSIGHT 2019

SELECTED COMMENTARIES
ON PHILIPPINE FOREIGN RELATIONS
AND REGIONAL AFFAIRS

VOLUME 1

Asia Pacific Pathways to Progress Foundation, Inc.

KONRAD ADENAUER STIFTUNG

STRATEGIC INSIGHT 2019

SELECTED COMMENTARIES ON PHILIPPINE FOREIGN RELATIONS AND REGIONAL AFFAIRS

VOLUME 1

Asia Pacific
Pathways to Progress
Foundation, Inc.

KONRAD
ADENAUER
STIFTUNG

RECOMMENDED CITATION
"Strategic Insight Volume 1". 2019. Quezon City: Asia Pacific Pathways to Progress Foundation Inc.

For feedback and comments, send an email to contact@appfi.ph

Design by Ariel Manuel
Text set in 11 type Minion Pro

Printed by Rex Printing Company, Inc.

Published by Asia Pacific Pathways to Progress Foundation, Inc.
with the support of Konrad Adenauer Stiftung Philippines.

Table of Contents

MARITIME SECURITY

Maritime Security Cooperation: The Philippine Experience

Dianne Faye C. Despi

CPT Despi is a member of the Corps of Professors (COP), Armed Forces of the Philippines and the convener of the Maritime Development and Security Program of Asia Pacific Pathways to Progress. She was the former Chief Defense Analyst of the Office of Naval Strategic Studies at the Philippine Navy.

With the heightened importance of maritime issues in the region coupled with strategic competition between the powers of the Indo-Pacific, the maritime domain has turned into a platform for increased inter-state dynamics. It is in this domain of great uncertainty that maritime services operate, cooperate, and compete.

Complex politico-economic dynamics of the current and emerging powers largely affect the strategic positioning of nations in the region. The contrasting interests of the major powers reflected in their constant dynamic in the regional maritime domain hide an underbelly of greater unpredictability and instability in their internal affairs. For one, the complex politico-military dynamics of the United States, including a so-called "isolationist" stance of the Trump administration, create a constraint upon its former "global police" identity to surface. Also, despite

---

This commentary is based on the discussions in the recent Philippine-Australia Dialogue, jointly organized by the Asia Pacific Pathways to Progress and the Griffith Asia Institute, and with the support of the Australian Embassy in Manila.

the rapid technological leap which allows for precision operations utilizing less boots on the ground, with the issues with U.S. ships and aircraft exposes what could be considered "operational fatigue," or what others term as "overextension" due to the various engagements of the U.S. armed forces around the globe.

On the other hand, with the recent crackdown on massive protests in Hong Kong, and censorship and coverups of the anniversary of the Tiananmen Square incident, the question of China's internal political stability once again arises. In order to maintain the primacy of their current political order under the Chinese Communist Party, China seems to be employing an aggressive geo-economic strategy in the international arena in the midst of these internal cracks. The Chinese have been proactive in the maritime domain to cement their foothold in the region in support of their economic initiatives.

Further, in response to these dynamics, the world is seeing intricate diplomatic undercurrents in Southeast Asia in a scale like never before. The power play is very visible in the balancing, bandwagoning, and hedging by several ASEAN states toward China and the U.S.

Aside from these, there are also operational realities in the region that complicate the entire security situation, such as China's thrust to gain operational superiority in the Pacific using its wide array of maritime agencies, the prevalence of transborder terrorist networks, and the geographical issue of the Indo-Pacific being the world's most disaster-prone region.

The volatile security environment of the Indo-Pacific region, coupled with these enduring and emerging strategic and operational realities in the maritime domain, gave rise to the development of new and improved responses, reflected in the changing "face" of regional maritime security cooperation mechanisms to secure the vast regional waters.

The 1990s were characterized by several strategic-level and navy-dominated cooperative mechanisms such as the ASEAN Regional Forum, the Cooperation Afloat Readiness and Training (CARAT) and the Western Pacific Naval Symposium (WPNS), due to the inherent international

nature of navies, and the focus was more on establishing lines of communication and developing avenues for greater dialogue. There had been a rise in functional cooperative mechanisms in the 2000s such as the Southeast Asia Cooperation Against Terrorism (SEACAT) exercise, especially in the areas of counter-terrorism and humanitarian assistance and disaster relief.

The late 2000s to the 2010s welcomed the rise of more actors in the maritime playing field as the importance of Coast Guards and other maritime law enforcement agencies have been magnified due to several operational developments. One of the major successful multilateral mechanisms include the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), which was inaugurated in 2006 as a response to the piracy problem in the region. Further, the 2010s also saw the "hardening' of institutions and cooperation measures, and the flourishing of "minilateral" practical maritime security cooperation measures. Examples of these include the Malacca Straits Sea Patrols (MSSP) and the "Eyes-in-the-Sky" Combined Maritime Air Patrols (EiS) between Indonesia, Malaysia, Singapore and Thailand's navies to ensure safety and security in the Straits of Malacca and Singapore, and the Trilateral Cooperative Arrangement (TCA) between Indonesia, Malaysia and the Philippines, set up in 2016. This is due to the emerging delicate diplomatic dynamics between the countries in region, the challenge is now on how to develop cooperation which transcends strategic differences.

Ideally, considering its geostrategic location and the diversity of security challenges it has to address, the Philippines is in a crucial position to develop and initiate responses that may have a significant impact to regional maritime cooperation. However, the country is still plagued with several internal challenges that hinder its unilateral maritime security initiatives and its capacity to influence and make a difference in the security milieu. This includes the lack of a coordinated maritime strategy, which stems from the lack of a comprehensive national policy on maritime issues; lack of inter-agency collaboration, as coordination in the inter-agency platform has not yet been operationalized; shortage in proper

assets and platforms for sustained participation in maritime security cooperation initiatives, and other practical obstacles, which include resource constraints, prioritization issues, and lack of common doctrine, language and interoperability of equipment.

In order to address this, the author suggests a simple framework to guide Philippine maritime security cooperation initiatives with other countries such as Australia centered on the characteristics of functionality, inclusivity, and sustainability. Functionality is defined as the convergence of security priorities and state interests in order to address present, pressing, and persistent challenges. This includes identifying and working on issues that can be considered as "convergence points" between interest and priority. As we have seen with ReCAAP and the TCA, cooperative mechanisms with strong foundations on particular functional issues produce favorable results. Given the transnationality of issues, it should also be determined which issues overlap and can be addressed by a single mechanism.

Inclusivity is comprehensiveness and coherence of initiatives between states, government agencies, and between the public and private sector. It covers the specific actors in developing cooperation. The author identified three: states, government agencies, and the private sector.

Finally, sustainability refers to the commitment of states in addressing security challenges through the development of cooperative frameworks. It is all about the development and strengthening of institutions that promote coordination and collaboration, and safeguard interests of each state. Further, sustainability requires proper monitoring and evaluation processes for participation in cooperative mechanisms, the feedback of which will aid in prioritization and planning for resource management, and in capability and capacity development.

Between the Philippines and Australia, which have one massive shared maritime environment, there are several areas where collaboration and cooperation may be deepened. These include maritime domain awareness, maritime safety and shipping, search and rescue, coastal welfare, fisheries (particularly fish stock data collection), connectivity, transnational crimes and piracy, maritime terrorism, marine environmental protection, and disaster resiliency.

For the military, another major functional area that may be a good platform for collaboration is in the development of strategic assessments as the Philippines moves towards an external defense outlook. This will be of great importance to both nations as there are several converging interests here, such as domain awareness, ensuring freedom of navigation, and protection of vital sea lines of communication. Furthermore, as the Armed Forces of the Philippines transitions into a more technologically-adaptive armed force, a good point of convergence lies in developing cyber security, electronic warfare, and Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR) capabilities.

Australia-Philippines Security Cooperation: The Maritime Dimension

Ian Hall, Ph.D.

Dr. Ian Hall is a Professor of International Relations and the Deputy Director (Research) of the Griffith Asia Institute, Griffith University. He is also an Academic Fellow of the Australia India Institute at the University of Melbourne.

Since the start of Battle for Marawi in late May 2017, attention has tended to focus on the development of a stronger partnership between Australia and the Philippines in the areas of counter-terrorism and enhanced training for the Armed Forces of the Philippines (AFP).[1] But in parallel, there have been significant developments in bilateral cooperation on maritime security, as the Philippines Navy (PN) acquires new assets and seeks to develop new capabilities. This paper explores the evolution of that element of the evolving defense and security partnership between Australia and the Philippines and the drivers of closer ties. It observes that not only is there a growing intensity in bilateral maritime security cooperation, but also that there has been a shift from non-traditional to more traditional, harder-edged, activities.

This commentary is based on the discussions in the recent Philippine-Australia Dialogue, jointly organized by the Asia Pacific Pathways to Progress and the Griffith Asia Institute, and with the support of the Australian Embassy in Manila.

Background

The framework in which this maritime security cooperation takes place is made up of three key agreements: the 1995 Memorandum of Understanding (MoU) on Cooperative Defense Activities; the Philippines-Australia Status of Visiting Forces Agreement (SOVFA), signed in 2007, which was ratified and came into force in 2012; and the 2015 Comprehensive Partnership agreement. A fourth – a logistics support agreement – was promised in the Comprehensive Partnership declaration but has not yet been agreed.[2] The 1995 MoU created a Joint Defense Cooperation Committee to coordinate activities, while the 2012 SOFVA brought into being a set of legal arrangements to facilitate those activities. The 2015 Joint Declaration on Comprehensive Partnership, for its part, observed past and ongoing cooperation, including high-level dialogue, but was vague about the specifics of future plans, other than floating the idea of the logistics agreement.

Within this framework, a number of maritime security initiatives have developed, alongside Australian Defense Force (ADF) and AFP involvement in army, air force, and joint exercises.[3] The most of important of these is the annual Maritime Training Activity LUMBAS, involving the Royal Australian Navy (RAN) and the Philippine Navy (PN), which began in the early 2000s. In the past, LUMBAS has focused on a range of activities, including ship-to-ship communication, humanitarian and disaster relief, anti-piracy, anti-narcotics, and managing a number of other contingencies.[4]

Intensifying Cooperation

Since the declaration of a Comprehensive Partnership, bilateral security cooperation has both broadened and deepened. In 2015, the same year that the Partnership was announced, Australia gifted two landing craft (ex-HMAS Tarakan and ex-HMAS Brunei) to the PN and concluded a deal to supply three more at an affordable rate, which were delivered in 2016. In March 2017, a couple of months before the takeover of Marawi by Islamist militants, the first Navy-to-Navy Strategy Dialogue was held, led by the

Deputy Chief of the Royal Australian Navy and the Vice Commander Philippine Navy.[5]

Six months later, in October 2017, there was a marked step up in that year's Exercise LUMBAS from past practice. A year earlier, the sea phase of the Exercise had involved two Armadale-class patrol boats, HMAS Glenelg and HMAS Larrakia, and the focus had been on combatting narcotics smuggling.[6] This was in line with earlier iterations of this Exercise, which had historically concentrated more on maritime safety and managing non-traditional security challenges than on higher-end activities. For LUMBAS 2017, by contrast, the RAN sent the Landing Helicopter Dock (LHD) HMAS Adelaide and the frigate HMAS Darwin, two significantly larger and more capable ships, which had earlier been deployed to the region as part of Indo-Pacific Endeavour.[7] This commitment by the RAN reflected the agreement reached in the first Navy-to-Navy strategic dialogue that LUMBAS should be re-designated as a "Naval Warfare Exercise" and focus on developing the PN's "warfighting capabilities."[8] Although a RAN LHD was not involved in the 2018, another ANZAC-class frigate, HMAS Anzac, was sent, and it exercised alongside the PN's frigate BRP Ramon Alcaraz.[9]

Drivers of Change

While the Marawi episode clearly helped catalyze an intensification of bilateral security cooperation during and after 2017, it is also clear that other factors have driven defense engagement in the past few years, especially in the maritime domain. The most important, clearly, are the People's Republic of China's modernization and rapid expansion of its navy, coast guard, and so-called maritime militia, as well as its militarization of features in the South China Sea. As the last Australian Defense White Paper makes clear, Canberra is very concerned about these developments, the potential for disruption to the sea lines of communication (SLOCs) through the Indian Ocean, South and East China Seas that could follow, and a range of other maritime security challenges. These include illegal fishing, including activities aided and abetted by coastguards and so-called maritime militias,

transnational crime, and possible humanitarian contingencies arising from natural disasters in those areas, as well as terrorism.[10]

The Philippines, for its part, has more proximate concerns, given its territorial dispute with China, growing pressure on its fisheries and its fishing industry from foreign and illegal operations, and the challenges inherent in managing larger and better-equipped navy, coastguard, and militia. Manila needs to – and is seeking to – build and modernize the AFP, including the PN, into an institution capable of territorial defense as well as counter-insurgency, which has been its primary function for some time.[11] It is presently in the process of inducting or acquiring a series of new assets, notably two Strategic Sealift Vessels, three former U.S. Coast Guard cutters reconfigured as frigates, and two new frigates to be supplied by South Korea's Hyundai Heavy Industries. It has discussed – so far without decision – acquiring submarines, either from Russia or even Japan.[12] The acquisition of these new assets will demand the enhancement of existing capabilities and the addition of new ones – in anti-submarine warfare, for example – that will require not just the procurement of new assets, but also the development of the skills and experience to operate them. In turn, this will necessitate further engagement with partners like Australia capable of helping develop those capacities.

ENDNOTES

1 It should also be observed, as Secretary of National Defence, Delfin N. Lorenzana noted in March 2017, that even prior to Marawi, that the Philippines had "a bigger military to military engagement with Australia than any of our ASEAN neighbours." See Nicole Forrest Green, *Interview with Secretary Lorenzana*, Australia Philippines Business Council, 22 March 2017, https://www.apbc.org.au/blog/315.

2 Department of Foreign Affairs and Trade, *Joint Declaration on Australia – The Philippines Comprehensive Partnership* (2015), https://dfat.gov.au/about-us/publications/Documents/joint-declaration-on-australia-the-philippines-comprehensive-partnership.pdf.

3 These include ADF involvement in Ex Balikatan from 2014 onwards, the Philippines-Australia Army to Army Exercise (PAAAE), the Carabaroo urban warfare exercise, and air defence exercise Pitch Black.

[4] Renato Cruz de Castro, "Fostering Military Diplomacy with America's Bilateral Allies: The Philippine Policy of Linking Spokes Together," in Alan Chong (ed.), *International Security in the Asia-Pacific: Transcending ASEAN Towards Transitional Polycentrism* (Singapore: Palgrave, 2017), 240-241.

[5] Department of Foreign Affairs and Trade, *Philippines Country Brief*, https://dfat.gov.au/geo/philippines/Pages/philippines-country-brief.aspx,.

[6] Norman V. Mendoza, "Australian Navy visits Cebu for naval exercise," *Cebu Daily News*, 14 October 2016, https://cebudailynews.inquirer.net/108491/australian-navy-visits-cebu-for-naval-exercise.

[7] Helen Ward and Peter Thompson, "Exercise Enhances Maritime Security," *Navy Daily*, 22 October 2017, http://news.navy.gov.au/en/Oct2017/Fleet/4158/Exercise-enhances-maritime-security.htm#.XTk-By1L1TY.

[8] "Philippine Navy, Royal Australian Navy Hold Joint Maritime Training," *Defense Journal PH*, 31 May 2018, https://defensejournal.ph/2018/05/31/exercise-lumbas-2018/.

[9] Ibid.

[10] Department of Defence, *2016 Defence White Paper*, http://www.defence.gov.au/WhitePaper/Docs/2016-Defence-White-Paper.pdf, 30, 42-43.

[11] For a helpful account of the background up to the election of the current President, Rodrigo R. Duterte, see Renato Cruz de Castro, "The Philippines Discovers Its Maritime Domain: The Aquino Administration's Shift in Strategic Focus from Internal to Maritime Security," *Asian Security* 12, 2 (2016): 111-131.

[12] RidzwanRahmet, "Shifting fortunes: the Philippine Navy's latest spate of modernisation efforts hangs in the balance," *Janes* (2017), https://www.janes.com/images/assets/035/69035/Shifting_fortunes_the_Philippine_Navys_latest_spate_of_modernisation_efforts_hangs_in_the_balance.pdf.

The Philippine-U.S. Alliance in the Maritime Domain

Olli Suorsa

Olli Suorsa is a Ph.D. candidate at the Department of Asian and International Studies in the City University of Hong Kong. He can be contacted at opsuorsa2-c@my.city.edu.hk.

The Philippine-U.S. alliance has experienced many highs and lows from President Benigno Aquino III's (2010-2016) historically close association with the United States to the incumbent President Rodrigo R. Duterte's (2016-) relative distancing from Washington. While Duterte distances from Washington diplomatically, the U.S. Indo-Pacific Command (INDOPACOM) has provided strong continuity to the close defense relationship.

Despite axing two long-standing exercise routines, the Phiblex and Carat, the U.S. and the Philippines have managed to accommodate Manila's concern to avoid antagonizing China by renaming, refocusing, and relocating some of the exercises to less-sovereignty sensitive waters. Refocusing exercises to security threats of non-traditional nature like disaster relief and counter-terrorism, the alliance — on 'life-saving' mode — has proven flexible and responsive to security challenges of more immediate concern to Manila. Additionally, in contrast to axing of bilateral exercises, other major drills such as the annual Balikatan and Kamandag, have been expanded, now involving Japan and Australian troops alongside their Filipino and American counterparts.

Despite the strong focus on non-traditional security challenges, China's growing naval and maritime security capacity and its assertiveness in the South China Sea constitutes the most immediate external security threat

to the Philippines. The People's Liberation Army Navy, Chinese Coast Guard (CCG) and Maritime Militia have rapidly growing capacity to exert presence and enforcement of Beijing's interests in the West Philippine Sea. In 2012, following a brief maritime spat, the CCG expelled the Philippine Navy (PN) from Scarborough Shoal, a traditional Philippine fishing ground. China has in the past disrupted the Philippine Navy's re-supply and construction efforts at occupied outposts in Second Thomas Shoal and on Pag-asa Island, and continues to harass Filipino fishermen around the Scarborough Shoal.

This raises two important dilemmas in Manila's response: (1) The Philippine Navy and coast guard are grossly outclassed in terms of capacity and capability. This is coupled with decades of doctrinal prioritization of internal security matters over external ones, effectively externalizing the country's defense to the U.S. (2) The Philippine—United States Mutual Defence Treaty (MDT) has provided ambiguous security guarantees to the Philippines against the growing Chinese maritime coercion in the South China Sea.

The lack of maritime security capacity has remained a persistent challenge for Manila. Majority of the PN fleet is utterly outdated, with the oldest ships dating back to WWII. To make matters worse, the PN lacks any modern missile-equipped surface combatants.

This has been partially addressed under its "Horizon 2" acquisition program, running from 2018 to 2022, which has renewed Manila's efforts to create what it calls the "minimum credible deterrence" strategy. Under the program, Philippines will allocate more funds to its naval modernization.

The procurement of the two guided-missile frigates from South Korea, with expected deliveries in 2020 and 2021, will boost the PN surface and sub-surface warfare capability, and bring the service to the modern age of naval warfare. While modest in numbers, the acquisition conveys the important message of Manila increasingly taking its external security seriously. The PN has fielded two Tarlac-class large amphibious ships (with interest to acquire more) that help in boosting the country's capacity in disaster relief—a mission of critical importance—and provide Manila with

a vehicle to project defense diplomacy. Besides the principal surface combatants, the PN has also introduced its first ever guided-missile capability with the Spike-ER armed Multi-Purpose Attack Crafts.

More ambitiously, the PN aspires to acquire submarines that would bring the Navy at par with other regional navies in naval technology. However, in terms of capacity requirements (both human and institutional), this might be too challenging for the time being. Instead, the Philippines procurement of two AW-159 Wildcat anti-submarine warfare helicopters, operating from the two new Korean-build frigates, is a more appropriate measure to address the increasingly congested sub-surface environment.

Moreover, to build the Philippines' maritime security capacity, the PN has greatly benefitted from the capacity building assistance provided by Manila's erstwhile allies and partners, especially the United States. The assistance has included help in improving the PN and CG's institutional capacity, funding, human resources development, training and exercises, as well as hardware like the construction of coastal surveillance network and donation of patrol vessels of various displacements, among others.

As the largest benefactor of the U.S. Maritime Security Initiative (MSI), the Philippines has received three former USCG cutters (Gregorio del Pilar-class), coastal surveillance radars, and maritime patrol aircraft upgrades and drones between 2013 and 2017. The other U.S. allies, particularly Japan and Australia, have also stepped up capacity building assistance to Manila, often in coordination with the U.S.. This help has greatly boosted Manila's maritime domain awareness and the PN and CG's capacity to better address both traditional and non-traditional security challenges.

The capacity building assistance has helped the Philippines add to the critical capacity of its maritime security forces, giving Manila ability to generate better maritime domain awareness, including in the West Philippine Sea and the Sulu and Celebes Seas. Besides the ability to 'see', the gained capacity to patrol further and longer has enabled the PN to better convey its presence and Manila's interest in protecting its maritime interests.

To demonstrate the Navy's increased capacity, the year 2018 can be termed as 'the year the Philippine Navy went international', with its first

ever participation in several international naval exercises, including the RIMPAC and Komodo exercises, ASEAN-China MARSEC exercise, International Fleet Review in South Korea, and the first ever port visit to Vladivostok, Russia. Overall, this is no small feat for a small navy.

In addition, while the old age of the donated equipment is often criticized in public, the vessels still make important contributions to the Philippine maritime security capacity—adding to the quantity and providing a generational change in technology (quality) in comparison to the existing fleet. The added capacity in hull numbers have enabled PN to generate higher sortie rates, contributing to a greater presence at sea. Furthermore, the expertise gained in operating these vessels and their systems help ease the transition to the upcoming state-of-the-art frigates.

The U.S. focus on building the Philippines' maritime security agencies' capacity should be supported and further strengthened as a part of reaching the goal of creating a "minimum credible deterrence" capability. The PN has already demonstrated the effects of the grown capacity by 'going out', making the Philippine Navy an attractive future partner in the region. Suffering from strained political relations, the Philippine-U.S. alliance has demonstrated its strengths and continues to benefit the Philippine Navy through capacity and training assistance, while offering the U.S. a critical access point in a strategic location. Importantly, the Philippines-U.S. alliance should continue building on the responsiveness to the threats emanating from the local security environment, both traditional and non-traditional, to maintain the alliance's flexibility and sensitivity to local needs. Ultimately, a resilient maritime Philippines will be of mutual interest, upon which trust and cooperation may be strengthened.

Building Maritime Security from Land: A Multi-Faceted Approach

Asyura Salleh, Ph.D.

Dr. Salleh is Project Manager for the Stable Seas program of the One Earth Future Foundation and formerly a political analyst for the Brunei Darussalam Prime Minister's Office.

The waters of Southeast Asia stretch 6,500 kilometers across a dozen seas, many archipelagic waterways, and thousands of islands. Yet, the region's narrow focus on major power tensions in areas such as the South China Sea has prevented a wider understanding of the roots of maritime instability in the region. As the main drivers of maritime insecurity remain unaddressed, organized political violence in the regional waters continues to endanger the transit of goods and people along these waterways. Stable Seas, a program of the One Earth Future Foundation, provides a unique approach that studies linkages between nine critical maritime issues to allow for a more holistic and multi-faceted understanding of Southeast Asia's maritime security.

The South China Sea is recognized for the tensions that have materialized between the United States, China, and other emerging powers. While America persists with freedom of navigation operations, China continues to expand military infrastructure on contested territory.[1] Meanwhile, Southeast Asian claimant states are engaged in an intricate territorial dispute over highly contested waters filled with abundant fisheries stocks and rich oil and gas deposits. Through this prism of hard security concerns,

the region's maritime security is largely determined by the balance of military capabilities between regional powers and the ability to defuse unanticipated security crises. This focus has produced competitive geopolitics in a region that could greatly benefit instead from stronger multilateral cooperation around issues such as fisheries protection, marine conservation, and sustainable blue economy development.

However, maritime security is also an extension of land-based developments. To ensure durable maritime security, it is important to move beyond hard security aspects and investigate the roles of other maritime drivers. Threats to maritime security, such as the piracy and armed robbery activities of terrorist groups, illicit trades, and unregulated migration are rooted in land-based issues such as political disenchantment and underdeveloped coastal communities. However, these threats can also undermine the free and safe navigation of vessels and threaten the lives of fishermen and other mariners who rely on these busy waterways to sustain their livelihood.

The Stable Seas approach, developed from the findings of critical case studies in Africa and Asia, outlines nine maritime drivers that impact maritime security in both regions. These multi-faceted drivers are coastal welfare, illicit trades, fisheries, maritime mixed migration, piracy and armed robbery, blue economy, international cooperation, maritime enforcement capacity, and the rule of law.

Through this holistic approach, it is derived that illicit maritime activities such as arms smuggling, piracy, and armed robbery are an outcome of poor coastal welfare. The vulnerability of coastal regions to the boom-and-bust cycles of global price changes in commodities such as oil and gas has given rise to troubling political actors that weaken the local rule of law to pursue subversive activities. In turn, these activities reinforce informal networks that illicit actors rely on to perpetuate instability on both land and sea. Fisheries also provide an incentive for regional countries to assert overlapping territorial claims and for people to conduct illegal, unreported, and unregulated (IUU) fishing. While IUU fishing can sustain coastal communities, it can also destroy the rich marine biodiversity and diminish

fishing stocks. Due to this vicious cycle of maritime insecurity, future opportunities for blue economy industries have become limited. Southeast Asia's heavy reliance on maritime trade, fishing, coastal tourism, and offshore oil and gas production can be further compromised if the roles of these maritime drivers are not better recognized.

Nine focus maritime issues of the Stable Seas approach

Fortunately, the Stable Seas approach also studies how international cooperation, maritime enforcement capacity, and the rule of law facilitate solutions for maritime insecurity. The Trilateral Cooperative Arrangement in the Sulu and Celebes Seas demonstrates the critical importance of international cooperation for maritime security.[2] Although security threats remain in the Sulu and Celebes seas, reported piracy and armed robbery incidents across the region have significantly fallen by 25 percent in 2018.[3] However, there still needs to be a stronger understanding of the role of international cooperation to address knowledge gaps, overlapping mandates, and enhance inter-agency trust. Meanwhile, international cooperation efforts need to be complemented by the maritime enforcement capacity of regional navies and law enforcement

agencies. As regional navies develop forward force projection capability, there also needs to be a strong capacity for regional information-sharing and immediate response operations to maritime crises. Stable Seas has also identified that the rule of law can impact maritime security. While local port officials are needed to enforce regulations and boost the legal economy, officials that continue to receive unregulated monetary incentives would only sustain illicit markets.

By situating maritime security as an extension of developments that take place on land, a multi-faceted understanding can be cultivated. The Stable Seas approach (https://www.stableseas.org) offers a method to identify how developments that begin in state capitals can impact coastal communities and eventually contribute to instability in the high seas.[4] By shifting away from the hard security focus and recognizing the roles of other maritime drivers, regional policymakers and maritime experts alike can achieve practical solutions needed to secure Southeast Asia's waterways and sustain maritime security.

ENDNOTES

1 Bodeen, Christopher, "After latest FONOP, China fires 'stern complaints' at U.S.", Navy Times, 7 January 2019, https://www.navytimes.com/news/your-navy/2019/01/07/after-latest-fonop-china-fires-stern-complaints-at-us/ and ABC News, "Beijing opens Maritime Rescue Base in South China Sea", ABC News, 31 January 2019, https://www.abc.net.au/news/2019-01-31/beijing-opens-maritime-rescue-base-in-south-china-sea/10768048

2 Philippines Department of National Defense, "Defense Ministers affirm Trilateral Cooperative Arrangement", Press Release, 3 August 2016, http://www.dnd.gov.ph/PDF%202016/Press%20-%20Trilateral%20Meeting%20Statement.pdf

3 ReCAAP, Annual Report 2018: Piracy and Armed Robbery Against Ships in Asia (Singapore: ReCAAP ISC, 2019)

4 Stable Seas, Stable Seas, accessed 15 February 2019, https://www.stableseas.org

ALLIANCES AND PARTNERSHIPS

Interrogating "Strategic Autonomy" amid Sino-American Competition

Justin Keith Baquisal

Justin Keith Baquisal is a Research Associate and coordinator for research and publications at Asia Pacific Pathways to Progress

A recent strategic dialogue between security sector experts and practitioners in the Philippines and Australia discussed prospects and sobering realities for cooperation and conflict-prevention amid great power rivalry. Australian Ambassador to the Philippines Steven Robinson's keynote speech neatly summed up stark facts facing the Indo-Pacific: (a) geopolitical adjustments stemming from China's rise, and (b) U.S. policy mood that has shifted from engagement to strategic competition.

However, the problem lies in how we make sense of these realities. It has become popular for smaller powers to pursue "strategic autonomy": non-aligned, cordial relations with both U.S. and China. Engagement with both is motivated by the former's value as a strategic balancer and the latter as an engine of economic growth. However, I argue that strategic autonomy conceived as such is insufficient and leads to international

bystanderism that makes the region susceptible to fallout from great power rivalry. Strategic autonomy may be better complemented by proactive brokerage by middle powers, clear articulation of common interests, and a degree of international coordination of national balancing strategies where possible.

First, the lack of a clearly articulated strategic agenda by less powerful states is notable in the region. The gamut of security cooperation activities now evident in larger naval exercises and technical training exchanges "is not a strategy unto itself" without well-defined strategic goals. The Indo-Pacific has arguably not had a firm collective position on Sino-American rivalry, despite leaders' expressions of anxieties over the trade war and avoidance of more boots-on-the-ground by not militarizing arrangements like the Quadrilateral Security Dialogue, as done by India. Strategic autonomy's doctrine of non-alignment, as noted by India's foreign minister, should not be mistaken as having no position. The Bandung Conference and Non-Aligned Movement during the Cold War are examples where states formally articulated an outlook different from those of the major powers.

Second, strategic autonomy as currently practiced is also relatively uncoordinated. Where they *do* have national positions, Indo-Pacific states have a proclivity to individually perform balancing acts. This will be tested by the fact that the issue-areas creating friction between America and China- such as cyber/tech security, nuclear arms proliferation, and contested territorial claims- are transnational in nature. The coordination aspect is vital to making the management of strained U.S.-China relations a truly strategic effort. Most importantly, coordination does not necessarily require that national interest be subsumed to the regional orders' needs. ASEAN's negotiations with China on the Code of Conduct in the South China Sea are illustrative of this: notwithstanding internal divisions, actors agreed that such a document was needed to begin with and that China was compelled to respond rather than merely ignore it.

Third is the need for proactive brokerage. Indo-Pacific states cannot be passive in this great power contest. However embryonic, the newly enunciated ASEAN Outlook on the Indo-Pacific signals such an intent to (a) utilize an existing multilateral dialogue native to the region, and

(b) actively involve regional stakeholders in such discussions. Even if ASEAN states and other regional actors are unable to form a common position- understandably, due to conflicting national interests- their status as third-parties to the conflict enhances the diplomatic value of regional forums.

Brokerage builds on the credibility of international institutions as fair negotiating tables, the moral legitimacy of international publics bearing collateral damage from U.S.-China tensions, and the ascendancy of Indo-Pacific states' strategic narrative as middle powers preventing two giants from sliding down the Thucydides trap. Strategic narratives are vital since they orient peoples' perspectives and responses to conflict, and help build constituencies for constructive dialogue moving forward.

In my view, strategic autonomy in itself will count for little. Like the story of the tower of Babel, speaking in different tongues or the inability to articulate common interests impairs cooperation; in turn, coordination problems muddle the ability of states to translate individual capacity to their desired regional outcomes such as non-escalation of conflict. Status quo strategic autonomy operates in an environment lacking a common strategic agenda and purposeful inter-state coordination- it is an order that blunts the ability of regional bodies to broker a credible middle ground. Moreover, in disengaging from managing great power relations, it ensures that states in the region are only reactive to policies made in Beijing and Washington.

Small and middle powers have a stake in a regional architecture that defends their national interests and actively negotiates with, rather than merely obeys, great powers. Beyond strategically autonomous countries, we need to consider building a proactive strategically autonomous *region*. The latter differs from the former in that it demands a unified baseline position, some measure of coordination of balancing acts, and conscious engagement toward mending tensions rather than a wait-and-see attitude.

Regional peace will increasingly depend on states that (a) prevent further militarization of the South China Sea, (b) refuse to formally align with either U.S. or China, and (c) actively use regional bodies as discussion-cum-pressure groups to dissuade great powers from unduly interfering in

regional affairs. Status quo strategic autonomy dangerously assumes that such outcomes will naturally occur even without pertinent facilitative regional norms and a shared security vision, simply because states are individually motivated to do so. Amid Sino-American rivalry, it behooves us to interrogate the deficits of the strategic autonomy we have, so it may be optimized to be one responsive to our needs.

Indo-Pacific states face a United States whose policy responses to China they will not always agree with, but nevertheless need it as an "offshore balancer" to deter further aggression in the area. For its part, the United States will need to come to terms with a regional order whose interest in substantive strategic autonomy would mean that some U.S. foreign policy objectives and initiatives will not be adopted in toto, even by its treaty allies. Overreaction and oversecuritization that unnecessarily escalate conflict will diminish rather than improve its world standing. China on the other hand needs to restrain its behavior in the South China Sea and acknowledge that its pursuit of national interest should not be at the expense of the rights of its neighbors. It cannot continue dismissing security anxieties of its neighbors as merely misguided. More important is the fact that such worries exist and motivate reaction from the U.S. and its smaller neighbors.

Perhaps it is time to shift discussions from the rather unproductive yes-or-no question "is war between U.S. and China inevitable" to one of "how can we Southeast Asian nations and the region's middle powers contribute in managing great power rivalry, given our collective interest to pursue strategic autonomy?".

Be Careful What You Wish For: A Historical Retrospective on the Philippines-U.S. Mutual Defense Treaty

Gregory H. Winger, Ph.D.

Dr. Gregory H. Winger is an Assistant Professor of Political Science at the University of Cincinnati. He is a Fellow with the National Asia Research Program and former Fulbright Scholar to the Philippines.

Aristotle advised that if we are to understand anything we must "observe its beginning and its development." Unfortunately, amid the tumult surrounding Secretary Lorenzana's pledge to review the Mutual Defense Treaty (MDT), an appreciation for the historic origins and development of the U.S.-Philippine alliance has been sadly absent. Although clarifying the rights and obligations contained within the MDT represents a worthwhile undertaking, attempting to do so while ignoring the treaty's historic context and evolution would be futile. To that end, it is useful to look at the specific charges currently levelled against the MDT by its critics and to identify the historical background of these contentions. This perspective provides both a deeper understanding of U.S. policy towards the Philippines and also helps contextualize the current dispute.

The MDT is one-sided and fails to protect Philippine interests in the South China Sea.

This controversy is central to the current dispute and has been a contentious issue within the alliance dating back to the 1970s. The heart of the disagreement is Article V of the MDT, which states that the treaty applies only to "the metropolitan territory of either of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific." Since the "metropolitan territory" of the Philippines is defined strictly as the territory transferred to the United States by Spain in 1898 and subsequently to the Philippines in 1946, the South China Sea in general and the Spratly Islands in particular are not under the purview of the MDT.

It is first worth noting that the language used in Article V and the emphasis on "metropolitan territory" was not unique to the MDT nor meant to disadvantage the Philippines. Rather, it constituted the diplomatic norm of the time for U.S. alliances. Most notably, Article V of the 1951 Australia, New Zealand, United States (ANZUS) Treaty, which was negotiated at the same time as the MDT, contains identical language on geographic limits including the emphasis on "metropolitan territory." This formulation reflected the security concerns of the early 1950s, particularly the fear of a large-scale military invasion of an ally's home territories. This prospect may seem remote today, but a decade after imperial Japanese forces swept across the Pacific and mere months after the onset of the Korean War, the threat of another Pacific War seemed very real when the MDT was negotiated. Consequently, the emphasis on "metropolitan territory" was not an attempt to shirk responsibility, but a guarantee that even though the Philippines was now an independent state, a repeat of the 1941 invasion would still be forcibly opposed by the United States.

The question of whether the MDT applied to the South China Sea did not emerge until the 1970s. In the late 1960s, significant oil reserves were discovered in the seabed, triggering a mad scramble by claimant states to seize control of disputed maritime features. This led to numerous violent incidents like the Battle of Paracel Islands in 1974

when China forcibly expelled South Vietnamese forces and consolidated its control over the island chain. Fearing that a similar attack might occur against Philippine possessions in the Spratly group, in 1975 Ferdinand Marcos explicitly asked the United States whether the MDT included Philippine claims in the South China Sea.[1] The U.S. State Department concluded that since the United States takes no stance on the question of sovereignty over the South China Sea, territories within the Spratly group were not covered by the MDT since they were not part of the metropolitan territories.[2]

A year later, the question of the MDT being applied to the South China Sea was discussed in greater detail by Secretary of State Henry Kissinger and Secretary of Foreign Affairs Carlos Romulo in October 1976. During a meeting in New York concerning the renegotiation of the bases agreement, Kissinger informed Romulo that if the Philippines wanted territories like Reed Bank and the Spratly Islands included in the MDT, then the U.S. would need to insert some waffling language to allow for flexibility. Such changes could extend the geographic scope of the MDT, but they would also weaken the American obligations under the treaty. In response, Romulo confirmed that Manila did not want to involve the U.S. in the Spratly Islands. He also clarified that "we want to exclude controversial areas. We want the treaty to cover the defense of the metropolitan area of the Philippines." Romulo later added of the non-metropolitan areas including the Spratlys, "we'll settle those problems ourselves."[3]

The United States does not extend the same protection to the Philippines that it does to its other treaty allies.

This charge principally concerns the U.S.-Japan alliance and Washington's position on the dispute between Japan and China over the Senkaku Islands. Like the South China Sea, the United States takes no stance on which country has sovereignty over the Senkaku Islands. However, unlike the South China Sea, the United States has affirmed that the Senkaku Islands are covered by the 1960 Treaty of Mutual Cooperation and Security (TMCS) between the United States and Japan.

At first blush, this seems like an appalling double standard given American unwillingness to extend similar guarantees to the Philippines. Yet again, the issue is not American duplicity, but diplomacy. The TMCS does not contain language similar to Article V of the MDT or ANZUS Treaty concerning metropolitan territories. Instead, Article V of the TMCS defines the geographic scope of the treaty to "the territories under the administration of Japan." This is significant because while the TMCS and MDT are both American defense treaties, they are not the same. While the U.S. does not recognize Japanese sovereignty over the Senkaku islands, Washington *does* recognize them as being administered by Japan. This is because the United States assumed responsibility over the islands following World War II under the Treaty of San Francisco as part of its administration of the Ryukyu Islands. This administrative responsibility was later transferred back to Japan in 1972 when Washington formally ended its occupation of Okinawa and the Ryukyu Islands. Since the TMCS concerns only administrative responsibilities and not sovereignty, the Senkaku Islands have to be covered by the treaty.

Least anyone get too excited about amending the MDT to reflect the standard of the TMCS, there are major trade-offs in this approach. Specifically, since the TMCS only addresses administration and not sovereignty, the United States has no obligation to aid Japan in its dispute with Russia over the Kuril Islands. Occupied by the Soviet Union at the end of World War II, the United States continues to recognize some of Kuril Islands as sovereign Japanese territory. Yet since the islands continue to be occupied by Russia, they are not administered by Japan and are therefore not covered by the TMCS. Applying the same formula to the South China Sea would extend the MDT to cover Thitu Island and Second Thomas Shoal, but at the expense of territories already occupied by China including Mischief Reef and Scarborough Shoal. That would be a strikingly poor exchange for the Philippines and undermine regional stability.

The MDT does not offer any real protection for the Philippines in the South China Sea.

This is factually untrue. Since the 1970s, it has been the position of U.S. government that while the MDT does not cover territories in the South China Sea, however, Philippine "armed forces, public vessels or aircraft" in the sea *are* part of the Pacific area and are therefore protected by the MDT. This stance has remained the consistent U.S. policy for over 40 years and been embraced by successive American administrations. First formulated in 1975, it was the basis for the Kissinger-Romulo meeting and reaffirmed by Secretary of State Cyrus Vance in an exchange of diplomatic notes in 1979. Most recently in 1998, Secretary of Defense William Cohen confirmed that the United States considers the South China Sea to be part of the Pacific area and as such, the clause in the MDT about Philippine armed forces and aircraft continues to apply there.

It is easy to lose sight of the value of that assurance amidst China's seizure of disputed islands and harassment of Philippine fishermen. Yet, for an illustration of how important this facet of the MDT remains, one only needs to look at the history of Chinese conduct towards Vietnam. Unlike with the Philippines, China has repeatedly shown a willingness to use lethal force against Vietnam to further its territorial claims in the South China Sea. For example, in 1988 the Chinese navy killed 64 mostly unarmed Vietnamese soldiers attempting to prevent the annexation of Johnson South Reef. Chinese forces filmed the episode and the video of skirmish is still available on Youtube.

What has prevented the defenders of the *BRP Sierra Madre* from suffering a similar fate is not their rusted guns or personal bravery, but China's recognition that any attempt to forcibly dislodge the vessel would violate the MDT. This contrast in Chinese conduct is both telling and significant. Specifically, while some in the Philippines may question the utility of the MDT, China clearly does not. Rather, it is apparent that Beijing is acutely aware of the assurances contained within the MDT and continues to take American security guarantees seriously.

Back to the Future

As the MDT approaches its 7th decade, reviewing its statutes is an important step to maintaining the health of the U.S.-Philippine alliance. Specific clarifications, such as affirming that cyberwarfare and the use of paramilitary forces are types of armed attack covered by Article IV, represent essential updates to existing interpretations of the MDT that are both warranted and needed to meet modern security challenges. Yet, the way forward is not by ignoring the alliance's past. Established U.S. policies, like those concerning the South China Sea, are based on longstanding norms and understandings that have helped sustain the alliance amid dramatic shifts in the Indo-Pacific. By losing sight of this history amid current frustrations, critics of the MDT risk doing lasting harm to the alliance that will only serve to undermine Philippine security. Nobody but Beijing would benefit from such an outcome.

ENDNOTES

1 Telegram from Ambassador Sullivan (Manila) to State Department, No. 5250, "GOP Concern over NVN Incursion into Spratly Area," 24 April 1975: Record Group 59: Central Foreign Policy Files (CFPF), National Archives and Records Administration (NARA), College Park MD; Telegram from Sullivan (Manila) to State, No. 5355, "GOP Concern over NVN Incursion into Spratly Area," 25 April 1975: Record Group 59: CFPF, NARA; President's Daily Brief: 25 April 1975. Accessed via CIA Electronic Reading Room (ERR).

2 Telegram from Kissinger (State) to CINPACFLT, No. 116037, "Disputed Territories in South China Sea," 5 May 1975; CFPF, NARA; Telegram from Kissinger (State) to Manila, No. 133765, "U.S. MDT Commitment and Spratlys," 9 June 1975: CFPF, NARA.

3 Memorandum of Conversation between Kissinger and Romulo, 6 October 1976, Accessed via Digital National Security Archives, George Washington University; Telegram from Kissinger (State) to Manila, No. 250861, "Secretary's Meeting with Philippine Foreign Secretary," 8 October 1976. Foreign Relations of the United State 1969–1976, Volume E-12, Documents on East and Southeast Asia., 1973–1976.

Entering the Goldilocks Zone? Strategic Inertia and New Opportunities in the Australia-Philippines Relationship

Peter Dean, Ph.D.

Professor Peter Dean is a Senior Fellow of Perth U.S. Asia Centre and the Pro Vice-Chancellor (Education) of the University of Western Australia. He is a strategic studies scholar who specializes in Australian and American military policy in the Indo-Pacific.

In science it is noted that terrestrial planets are situated in the "Goldilocks zone," that is, the habitable or life zone in space where a planet is just the "right distance from a home star so that its surface is neither too hot nor too cold."[1] The Goldilocks zone in a galaxy thus allows life to develop and flourish. For decades the Australia-Philippines strategic relationship has been characterized by missed opportunities and strategic inertia. When the bilateral relationship has developed it has generally been through slow incremental engagement that, at times, has easily and quickly gone cold. However, the recent the terrorist attack on Marawi in the southern Philippines has injected new energy into the strategic dimensions of this bilateral relationship. Marawi, along with changing regional dynamics, has

---

This commentary is based on the discussions in the recent Philippine-Australia Dialogue, jointly organized by the Asia Pacific Pathways to Progress and the Griffith Asia Institute, and with the support of the Australian Embassy in Manila.

potentially opened up a "Goldilocks zone" movement in the Australia-Philippines strategic relationship, one in which the partnership could develop and flourish. The ability to capitalize on this recent rapid progress, however, could still easily stagnate especially as domestic politics in the Philippines could easily get too hot, burning the burgeoning relationship, or Australia could easily become distracted from its engagement letting the pace of progress stagnate or go cold. This means that the window of opportunity to cement a much deeper and more coherent bilateral partnership remains narrow. If not seized quickly this opportunity could easily prove to be fleeting.

Missed Opportunities and Strategic Inertia

The history of the Australia-Philippines bilateral security partnership has been characterized by long periods of strategic inertia and missed opportunities dating as far back as the Pacific War. Interestingly, two key bookends of missed opportunities came as a result of our mutual major power ally, the United States. During the Pacific War both the Philippines and Australia fell into a geographic command called the Southwest Pacific Area (SWPA) under the leadership of the infamous U.S. general, Douglas MacArthur. In 1942-44 MacArthur's Headquarters was in Australia, which also briefly included the Philippines Government in exile (March-April 1942) when the President of the Commonwealth of the Philippines, Manuel L. Quezon, and his family arrived in Australia from the Philippines, before transferring to the USA.

MacArthur's triumphant return to the Philippines in 1944-45 was off the back of coalition operations in the SWPA where the Australian military formed a significant part of MacArthur's forces fighting in Papua, New Guinea and the surrounding islands. In 1944 the strike force of the Australian Army, its three elite Australian Imperial Force Divisions (AIF), were poised to take part in the liberation of the Philippines, but by now the overwhelming preponderance of U.S. military forces in the theatre meant that MacArthur was able to sideline Australia's efforts in his theatre in 1944-

45, shunting the AIF division off to an irrelevant campaign in Borneo instead of fighting in one of the decisive action of the war.[2]

This is not to say that Australia's contribution to the liberation of the Philippines was not significant. The battle of Leyte Gulf in October 1944 remains the biggest ever operation of the Royal Australian Navy, and some 4,000 Australians took part in these operations, but the absence of large-scale Australian land forces in the battles for Leyte and Luzon meant that the bonds of kinship forged in war were not developed between Australia and the Philippines, nor is there the same sense of shared sacrifice to bond the two nations' militaries in the same way as Australia developed with other countries who hold significant the sites of war memory, history, and pilgrimage from Australia's military campaigns. Some 70 years later, the developing Australia-Philippines relations was also truncated by the onset of the Global War on Terror (GWOT). The GWOT saw a significant reinvigoration of the U.S.-Philippines defense relationship, which led to a decrease in Australia-Philippine bilateral defense engagements as both smaller powers sought to reevaluate and refocus their relationship with their major power ally.[3]

This focus by both countries on their strategic relationship with their major power ally is emblematic of how the security architecture of Asia was established in the post-Second War World era. With Japanese military power crushed in 1944-45, the U.S. emerged as the hegemon of the region and with the onset of the Cold War, it solidified its regional defense engagements through the San Francisco system of alliances. This network, known as the hub and spokes alliance system, placed the U.S. at the epicenter of a series of bilateral and trilateral alliance agreements, which encouraged little engagement between the spokes.

A new multilateral defense alliance system did, however, emerge with the Manila Pact. Signed in September 1954, the Southeast Asia Treaty Organization (SEATO) was the regional hope for a multilateral alliance network in Asia to replicate the success of NATO in Europe. This alliance framework provided the opportunity for the Australia-Philippine defense relationship to develop. However, SEATO would prove to be largely

ineffectual.[4] At the heart of SEATO lay a number of fundamental differences to NATO, the two most significant being: the lack of an Article 5 provision like NATO, where an attack on one member of NATO is an attack on all of its members; and the fact that the majority of countries in the Pact (USA, United Kingdom, France, Pakistan, Australia, New Zealand, Philippines and Thailand) were not actually Southeast Asian. This meant that in many ways, SEATO was not unlike Voltaire's characterization of the Holy Roman Empire, which he saw as neither Holy nor Roman, nor in fact an Empire; conversely SEATO was not really an alliance, was not really Southeast Asian and in the end not much of an organization. Even worse, SEATO was described by the diplomat James Cable as "a fig leaf for the nakedness of American policy."[5] In the end the alliance pact was put out of its misery in 1977.

While SEATO provide the premise for U.S. engagement in the Vietnam War it was the hubs and spokes system alliances that was the key security relationships that kept the U.S. engaged in Asia. With the Nixon Doctrine announced in 1969, which called for more defense self-reliance and prefixed the U.S. withdrawal from Vietnam, and the SEATO falling apart, the Australia-Philippines security relationship became a moribund relationship until the mid-1990s.

A new era in Australia-Philippines relations emerged in the post-Cold War era. This was kicked off by the 1994 trade agreement followed by the 1995 Memorandum of Understanding on defense cooperation. From here a slow trajectory of Australia-Philippines security engagements started to emerge, including the establishment of a joint defense cooperation committee, and a significant expansion of the Australian defense cooperation program, which saw Australia emerge as the major provider of education and training to Filipino military, and which includes approximately 150 positions offered annually for training in Australia.[6] The momentum of this cooperation, however, stalled in the early 2000s as the "reinvigoration of the Philippine-American defense relations[ship]… diminished Canberra's role in Philippine defense diplomacy."[7]

New Opportunities

While momentum stalled in the GWOT bilateral efforts, engagement did not stop altogether. Track II dialogues continued to develop and regular talks at the Track 1 level were established with the Philippines-Australia Ministerial Meeting (PAMM) and its Senior Officials Meeting (SOM), Philippine-Australia Bilateral Counter-Terrorism Consultations (BCTC), High Level Consultations on Development Cooperation (HLC), and Joint Defense Cooperation Committee (JDCC) and Defense Cooperation Working Group (DCWG) talks. Thereafter the U.S. rebalance to Asia spurred on by changing regional dynamics, as well as the transfer of Australian military equipment to the Philippines, mutual defense and security interests, and increased multilateral engagements have all driven closer cooperation between Australia and the Philippines.[8]

Defense relations really accelerated with the occupation of Marawi in May 2017, a city of approximately 200,000 people (roughly equal to the size of the Australian cities of Hobart, Geelong, or Townsville) on the southern islands of Mindanao by between 1,000-2,000 Islamic terrorists who pledged allegiance to ISIL. Australian support of the Philippines included P3 Orion maritime patrol aircraft that provided intelligence, surveillance and reconnaissance support and well as advisors and maritime support. In mid-October 2017 the Australian Defense Force established Joint Task Force Group 629 to execute Operation Augury, which includes the deployment of around 100 ADF personnel on deployment to the Philippines for a broad range of engagement including an urban warfare training program.[9]

While the operations in Marawi were successful, at the cost of the deaths of 920 Islamic fighters, 165 government soldiers and at least 45 civilians, as Samuel Cox has noted "the key message for Australian policymakers is that we can expect more Marawis in our region. The risk to regional stability posed by Islamic State's goal of creating a 'caliphate' in Southeast Asia has by no means passed, and the urban conditions which led to this conflict remain widespread."[10]

New Opportunities and Risks

While opportunities now abound for deeper cooperation, there remains a number of potential risks to developing deeper ties, particularly in domestic politics. In the Philippines the unpredictability of President Rodrigo Duterte, concerns over human rights abuses – highlighted by the UN Human Rights Council censure and investigation of the Philippines over the thousands of killings since President Rodrigo Duterte launched an anti-drug campaign (including Australian support for the resolution) – presents a clear risk to closer ties. In Australia this was highlighted over the media controversy surrounding the picture of President Duterte with senior Australian intelligence official Nick Warner and concerns over the "dark" nature of Australian military support for the Philippines in the post-Marwari era.[11]

In Australia, the Morrison government's election surprised almost everyone, except perhaps for the Prime Minister. Thus, the Liberal-National Coalition has come to power short on a broad political agenda, with relatively new leadership in foreign affairs and defense and rising concerns on Australia's doorstep in the South Pacific.[12] U.S. President Donald Trump has called only his second State Dinner for the planned trip of the Australian Prime Minister to Washington in September. This high-level engagement, security concerns about China's influence in Australia's backyard in the South Pacific and continued tension in the Middle East, which recently saw the extension of the deployment of a KC-30A air-to-air refueling aircraft to the Australian Defense Force Air Task Group and redeployment of an E-7A Wedgetail Airborne Early Warning and Control aircraft support U.S.-led Coalition operations until late 2020, are all risks. In particular, the high-level strategic engagement with the Trump administration in September, as well as the continued Australian military engagement in the Middle East with the U.S. – a large opportunity cost for a small military – could well lead to Australian political attention, and defense resources, moving away from its posture of a deeper engagement in the Philippines.

The conflation of changing Asian regional dynamics, a focus in both the Philippines and Australian on broader regional engagement, and the turbo

charge to the defense relationship from the highly successful interactions in support of the conflict in Marawi seem to have created the Goldilocks moment for Philippines-Australia relations. However, the foundations of deep and ongoing relations have still not been set in concrete. Tangible progress, like an upgrading the relationship to a strategic partnership, providing for long-term defense engagement across a broad spectrum of operations from maritime security to urban warfare operations, are critical. However, it could well prove that the window for setting the conditions of lasting engagement in the Philippine-Australia relationship could close quickly leaving the porridge cold and setting off another era of missed opportunities.

ENDNOTES

1 William Harris and Jacob Silverman, "Are we not the only Earth out there?", *How Stuff Works*, https://science.howstuffworks.com/other-earth1.htm 27 July 2019.

2 Peter J. Dean, *MacArthur's Coalition: U.S. and Australian Military Operations in the Southwest Pacific Area, 1942-1945* (Kansas: University Press of Kansas, 2017).

3 Rommel C. Banlaoi, "Broadening Philippines-Australia Defence Relations in the Post 9/11 Era: Issues and Prospects," *Contemporary Southeast Asia*, 25, 3 (2003): 473-488.

4 John K. Franklin, *The Hollow Pact: Pacific Security and the Southeast Asia Treaty Organization*, PhD Thesis, Texas Christian University, 2006 https://repository.tcu.edu/bitstream/handle/116099117/3914/Franklin.pdf?sequence=1&isAllowed=y.

5 Kevin Ruane and Matthew Jones, *Anthony Eden, Anglo-American Relations and the 1954 Indochina Crisis* (London: Bloomsbury Publishing, 2019), 231.

6 Operation Augury – Philippines, Department of Defence, http://www.defence.gov.au/Operations/OpAuguryPhilippines/.

7 Banlaoi, "Broadening Philippines-Australia Defence Relations in the Post 9/11 Era: Issues and Prospects," 478.

8 Ben Schreer, "Australia-Philippines Strategic Relations: Taking the Long View," *The Strategist*, 4 August 2017. https://www.aspistrategist.org.au/australia-philippines-strategic-relations-taking-long-view/.

[9] Operation Augury – Philippines, Department of Defence, http://www.defence.gov.au/Operations/OpAuguryPhilippines/; Samuel J. Cox, "Australian Assistance to the Philippines: Beyond the Here and Now," *The Strategist*, 2 May 2018 https://www.aspistrategist.org.au/australian-assistance-philippines-beyond-now/.

[10] Ibid.; Maxine Betteridge-Moes, "What happened in Marawi?," *Al Jazeera*, 30 October 2017, https://www.aljazeera.com/indepth/features/2017/10/happened-marawi-171029085314348.html.

[11] "Australia defends spy chief after 'fist bump' photo op with Philippine leader Duterte," *Reuters*, 24 August 2017. https://www.scmp.com/news/asia/diplomacy/article/2108103/australia-defends-spy-chief-after-fist-bump-photo-op-philippines; Greg Jennett, "Operation Augury: Australia's war on terror goes 'dark' in the Philippines, but why?", *ABC News*, 21 May 2018 https://www.abc.net.au/news/2018-05-21/operation-augury-australias-war-on-terror-goes-dark-philippines/9779174.

[12] It does, however, have both legacy defence and foreign policy White Papers to build upon. "Strengthening Australia's commitment to the Pacific," *Media Release Prime Minister of Australia*, 8 November 2018 https://www.pm.gov.au/media/strengthening-australias-commitment-pacific.

Connecting the Spokes: Trade, Investment, and Economic Relations

Rowan Callick

Rowan Callick is an Industry Fellow at Griffith University's Asia Institute, and a columnist for The Australian, where he was previously its China Correspondent and Asia Pacific Editor from 2006 to 2018. He has also won two Walkley Awards and the Graham Perkin Award for Australian Journalist of the Year.

The theme of this conference, Connecting the Spokes, implies a hub. In general terms, both the Philippines and Australia tend to view the U.S., perhaps also China, as hubs around whose interests and values we in this region revolve – or in multilateral terms, of course ASEAN, although that leaves us in Australia at one step removed. But if we're talking bilaterally, the hub around which our relationship's spokes revolve comprises trade, investment and economic relations.

In Australian dollar terms, merchandise trade between the countries fell 15% to $2.7 billion in 2018. That makes the Philippines merely Australia's 28th largest merchandise trading partner. Trade in services – chiefly tourism and students – has the Philippines in 21st place. Australia, meanwhile, is the Philippines' 22nd target for exports and the 13th source of imports. Mutual investment is also thin. Australia has invested about $9.6 billion in the Philippines, but only about a tenth of that are directly in operations and assets, while the rest are in shares.

This commentary is based on the discussions in the recent Philippine-Australia Dialogue, jointly organized by the Asia Pacific Pathways to Progress and the Griffith Asia Institute, and with the support of the Australian Embassy in Manila.

Australia's Ambassador to the Philippines, Steven Robinson, said at the Dialogue that "our trade ties are remarkably small. That seems completely out of kilter with the tenor of our relationship…. It should be about tenth." Maybe that's not such a surprise. Australia is 14th on the International Monetary Fund's list of world economies by gross domestic product, while the Philippines 39th. We have in the past been competitors more than partners in trading both resource and agricultural commodities. Structurally, we are not as committed economically as we are in the strategic space. While Australia has bilateral free trade arrangements with Singapore, Malaysia, Thailand, and Indonesia, and while Malaysia, Singapore, Vietnam, and Brunei are, like Australia, part of the especially comprehensive Trans-Pacific Partnership 11 arrangement that is going ahead without the United States, Australia depends on a deal led by the Association of Southeast Asian Nations (ASEAN) for its best terms under which to trade with the Philippines.

But as usual, the raw data do not tell us the full story. The situation on the ground seems a lot more positive – and promising. Despite a fall in trade revenues in 2018, almost entirely due to a correction in commodity prices in that period, the figures have resumed their upward trend. Indeed, in the first nine years after the Australia/New Zealand free trade arrangement with ASEAN, which came into force in 2010, trade between Australia and the Philippines rose about 70%, driven in the case of Australian exports by surging demand for agricultural goods (wheat and beef), energy sources (chiefly coal and now gas), and precious metals.

The high cost of liquefied natural gas – of which Australia has recently overtaken Qatar as the world's biggest exporter – will rapidly change the trade profile. The Philippines is set to run out of its main gas supply by 2023-24, and is thus inevitably looking to import, with up to three reception plants being considered.

The longstanding appetite in the Philippines for Australian grains and horticulture is growing rather than diminishing, fuelled by the 6% growth of the Philippine economy. There are now 33 flights a week from Australia, making it easy to deliver fresh produce – while continuing problems in upgrading infrastructure within the Philippines itself, with its 2,000

inhabited islands, means it can be less hassle, and even possibly ultimately cheaper taking into account spoilage, for a Manila buyer to import such goods by plane from Australia, than to bring them by road or sea from, say, Baguio. This issue also provides Australian business with a further opportunity – getting involved in helping improve logistics and the domestic supply chain in general.

The services sector profile is also changing rapidly, with the Philippines becoming the fastest growing educational market – up 49% in 2018, albeit from a low base. There are around 13,000 Filipinos who are currently studying in Australia. We have the advantage of proximity against more traditional targets for Filipino students like the U.S., and some surveys show that Australia is viewed as a particularly welcoming place to study. The numbers are soaring in part because the Philippines has just extended universal education from year ten to year twelve, from which 1.2 million students will be emerging annually. Australian educational institutions have also set up 30 partnerships in the Philippines with domestic counterparts, including vocational educators. Traditionally, the fields of study have focused on business, health care and aged care, but now there is more growth in science and technology driven fields and in innovation, reflecting a shift in the Philippines economy.

An estimate of 305,000 Filipinos have moved the other way, making Australia their home – and becoming valued, and highly popular, members of the multicultural Australian community. Tourism into Australia from the Philippines is also growing rapidly by 20% a year, and there is greater potential for growth in tourists the other way, with the help of more sophisticated marketing efforts, surely some of the Bali and Fiji holidaymakers will find as much to enjoy in the Philippines.

Also reflecting changes in Australia's economy, businesses from sectors such as fintech, cyber security, blockchain, and technical services generally are seeing more traction in the Philippines market.

Remittances remain very important – providing about 10% of the Philippine economy – but domestic consumption is, of course, considerably more important, while the business processing industry already accounts for more than 10%.

About 300 Australian firms are operating in the Philippines, employing more than 44,000 people. Many are engaged in business processing in a general sense, shifting as automation gains pace to more complex activities, and away from just operating call centres towards a range of back-office functions. Macquarie, ANZ, QBE and Telstra are all in this kind of space. Ambassador Robinson highlighted digital finance, data analysis, and science and technology generally, among the promising areas of engagement. Naturally, there's a lot of talent for such firms to draw on because the Philippines has a young population, median age 24, highly digitized and English speaking.

Most Australian investment has been in Manila and Cebu, but there is growing involvement in the Clark free port and special economic zone, which is booming on the land formerly occupied by the huge U.S. air force base. Thirty Australian firms are already based there, handily alongside the zone's own international airport. But businesses operating there must be exporters rather than selling to the domestic market. The city will gain handy promotion throughout the region when it hosts the Asian Games at the end of the year.

Overseas investment by Philippine corporations has been dominated, inevitably, by the businesses of the great family-led conglomerates. They have tended in the past to focus on securing supply chains for the domestic markets they also dominate, although that is changing. Those firms are starting to invest in infrastructure and other sectors overseas as part of a broader diversification. A good example is International Container Terminal Services, now a major player in Australian ports, owned effectively by Enrique K. Razon, viewed by Forbes as the third richest man in the Philippines, whose grandfather established what became Manila's main port. Last year, Philippine companies put their toe into the renewables market in Australia, investing $US30 million as they check out that sector's potential.

Ambassador Robinson, again, said: "More Philippines firms are looking at investment in Australia, and we would encourage that wholeheartedly. Now is the time for us to seize those opportunities."

What could foster a more beneficial economic relationship?

There are limited prospects of rapid change in trade terms under the present structural settings. Despite the inevitable continuing quarantine quarrels over agricultural products we both grow – bananas have comprised a particularly rancorous one – most tariffs between the countries have already been slashed to zero. But if the Philippines were to consider joining the TPP group (now the Comprehensive and Progressive Agreement for Trans-Pacific Partnership or CPTPP), that would be a transformative move because many companies within that grouping are now starting to use that as their default base for calculating comparative advantage in terms of markets and investment.

Mutual direct investment is the key area that would most transform our relationship. In Australia's case a lot of work needs to be done to encourage corporate leaders to consider investing in Asia generally, let alone in the Philippines particularly. We have too few people in our main boards and top executive roles who have lived or worked or studied in Asia. And even as the U.S. trade war began to gain traction, sectors of Australian business tended to view China as a kind of proxy for "Asia."

In building a momentum for greater business involvement with the Philippines, obviously right now an early assessment would point to anxiety about the new comprehensive tax regime which, while it may well end up providing a more rational structure, may cause investment decisions to be postponed. But plans for legislation to make it easier for the private sector to fund and participate in the government's ambitious infrastructure program will be closely followed. The 40% cap on foreign investment, which applies universally except in Clark, acts as a deterrent; other Asian regimes allow wholly foreign owned entrants. Joint ventures do often prove more durable, but newcomers to investing in Asia and to some Asian countries, tend to view such requirements as an obstacle.

Australia's growth rate has slowed but it is now in its 27th straight year of growth, and the Philippines has access to capital, management skills and expertise in a range of sectors that are important for

production and employment in Australia. Hence, the overall outlook remains highly positive.

Finally, China is by far the biggest trading partner of both of us. Within Australia, concern has been expressed by some of those most heavily exposed to China economically, that any criticism of China expressed politically, including over security or influence concerns, imperils the country's revenues. But recent polling by Australia's best-resourced foreign affairs think-tank, the Lowy Institute, indicates that the broader public have changed their minds about such issues, with 74% stating that Australia is too economically dependent on China, and 77% wishing Australia to "do more to resist China's military activities in our region, even if this affects our economic relationship." Australia's national government, unlike the Philippines', has not signed China's Belt and Road Initiative memorandum of understanding – although the government of the state of Victoria has done so.

For some of Australia's business community, China has become their hub, profitably so. But there are always risks in placing too many eggs in one basket, and building better business relations between Australia and the Philippines is a step that can be taken to limit such risk, as part of a broader diversification of Australia's economic partnerships – as well as being a step worth taking in its own right.

GLOBAL CONNECTIONS

Historic Global Compact Raises Hope for Migrants

Lucio Blanco Pitlo III

Lucio Blanco Pitlo III is a Research Fellow at Asia-Pacific Pathways to Progress, fellow at the University of the Philippines Korea Research Center, lecturer at the School of Social Sciences at Ateneo de Manila University, and contributing editor (Reviews) for the Asian Politics & Policy Journal.

Last December, 164 countries approved a landmark accord in Marrakesh, Morocco that may lay the roadmap for governing migration. The Global Compact for Safe, Orderly and Regular Migration (GCM) is an intergovernmental agreement that tries to encompass all aspects of migration. The first of its kind, this instrument promises to improve the plight of migrants, but its non-binding nature and non-adherence of key migrant recipient states like the United States and Australia could wither initial gains. For migrant labor-sending countries like the Philippines, the pact was seen as a big boon.

Migration is as old as time, but views about it continue to divide nations. War, instability, violence and poverty have pushed migrants from Africa, Middle East and Central America to seek safety and a better life in Europe, Australia, Canada and the United States. However, notwithstanding their contributions, the security and economic costs of accepting migrants, their impact on local labor markets and peace and order have become a polarizing issue even among liberal Western democracies. Irregular migrant

flows also prompted strong reaction even from traditional settler states. This includes President Donald Trump's controversial proposal to build a physical wall in U.S.' southern border with Mexico and Australia's offshore immigration detention centers in Manus and Nauru.

The Compact thrusts the issue of migration at the heart of global governance, a pursuit long championed by advocate groups and states. It builds on past efforts such as the 2016 New York Declaration for Refugees and Migrants. It also rests on core international human rights treaties, such as the Universal Declaration of Human Rights, and relevant United Nations (U.N.) conventions, such as conventions against transnational organized crimes, human trafficking and slavery. Nevertheless, despite having sound foundations, GCM's journey has just begun and challenges in its implementation are to be expected.

While a majority of the U.N. members endorsed the Compact when it was referred to the General Assembly for voting on December 19, five countries voted against it — including the U.S. and Israel, 12 abstained, and 24 members were not present to cast their votes. Some states that voted in favor of the resolution adopting the Compact also expressed their interest to have the right to opt-out.

Several issues were raised against the Compact. It caused alarm that it might legalize mass migration with few checks. The lack of distinction between legal and illegal migrants and concerns about undermining domestic migration and national security laws were also cited. This is despite national sovereignty being enshrined as among the Compact's guiding principles. GCM also encourages whole-of-government and whole-of-society approaches, recognizing that no single state agency and government alone cannot effectively address the complexity and multidimensional nature of migration. This buttresses the pact's inclusivity.

Likewise, while the Compact decriminalizes migration, it does cite the risks associated with irregular migration and calls for strengthening international response to curb human smuggling. The Compact also clarified that it pertains to migrants and not refugees. Russia complained about the provision on "shared responsibilities" arguing that countries

whose intervention in the affairs of sovereign Middle East and North African states which bred conditions for the mass exodus should bear the greatest burden.

The objective to end discrimination and "promote evidence-based public discourse to shape perceptions of migration" was also seen as potentially infringing on freedom of expression. There is fear that the pact will extend the definition of hate speech to cover those criticizing migration. The issue of accommodating and extending welfare to migrants who lack the skills to productively contribute to host countries also sparked intense debate. Refusal to sign on the part of some Western countries was seen as a concession to their respective political right constituencies. Migration policy has become a hot-button electoral topic in the West and not a few politicians have adopted greater caution in approaching it.

But while the Compact divided opinion in the West, it was celebrated by many countries that long championed the cause of migration, like the Philippines. GCM sets out 23 objectives and a range of corresponding actions. Many of them would improve the lot of migrant workers. This includes the goal to "facilitate fair and ethical recruitment and safeguarding conditions that ensure decent work." Another is the goal to "invest in skills development and facilitate mutual recognition of skills, qualifications and competencies." The goal "to promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants" was also lauded. Similarly, the goal to "establish mechanisms for the portability of social security entitlements and earned benefits" was also welcomed.

With 10 million Filipinos overseas, protection of migrant workers and promotion of their welfare has long been a pillar of Philippine foreign policy. During its 2017 ASEAN Chairmanship, the country successfully pushed for a consensus on migrant workers. Back in 2007, the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers was also adopted in Cebu. As such, the Philippines has been an active player in the GCM process since day one. In the lead-up to Marrakesh, Manila hosted an international conference on the future of migration.

The conference stressed five major themes integral to GCM's objectives. This includes the human rights of migrants; drivers of migration; human smuggling and other forms of exploitation and abuse; decent work, and labor and skills mobility and; international cooperation and migration governance. It also highlighted the importance of national and regional action plans as building blocks in implementing the Compact. The Manila Conference also cited the salience of adopting indicators and targets to assess GCM's implementation.

The GCM is seen as a triumph for the cause of migration. For all its shortcomings, it signifies historic progress given the increasing resentment toward migrants and refugees even in liberal democratic countries in the West. For skilled migration, GCM can serve as an anchor for labor agreements between labor-sending and recipient countries that would ensure migrant workers' rights and provide humane work conditions. However, fears that the Compact will embolden migration, especially for people in dire circumstances, generate tremendous anxiety in major destination states.

How to Build a Cyber-Resilient Philippines

Mark Bryan Manantan

Mark Bryan Manantan is a Research Fellow at the Center for Southeast Asian Studies and an affiliate of Asia Pacific Pathways to Progress. He is also the founder and strategic director of Bryman Media.

As a concrete testament to its ongoing efforts in building a trusted and resilient infostructure for the Philippines, the Department of Information and Communications Technology (DICT) in January launched the country's Cyber Management System Project (CMSP). The CMSP will be used primarily for information-sharing, monitoring threats, and defending cyberinfrastructure. With a hefty price tag of Php508 million, the Philippines' latest investment will allow the government to predict, respond and recover from cyber attacks.

In the past three years, the Philippines continued to demonstrate progress in the area of cybersecurity exemplified by the launch of the National Cybersecurity Strategy Plan 2016-2022, the establishment of the national computer emergency response team (CERT), as well as participation in regional initiatives such as the ASEAN Cybersecurity Capacity Program. The setting up of the CMSP is a significant step to further achieving a cyber-resilient Philippines.

However, it must be emphasized that building a trusted and resilient cybersecurity should not be the mandate of the government alone but falls upon every individual and institution in the country.

It is crucial to break down the silos that confine cybersecurity solely within the purview of the technocratic lens and to shift the debate to

crosscutting perspectives, to devise practical insights and approaches. Established tech companies like IBM have started to embrace non-IT professionals noting that innovative and agile solutions are informed by creative thinking and technical skills. For its part, DICT has been advocating for a whole of nation approach towards cybersecurity, despite its limited resources and capacity. Central to achieving resiliency in cybersecurity is partnership building. It is the defining hallmark in developing a collaborative framework that brings together the private sector, academia, and not-for-profit organizations as well as intergovernmental and bilateral partners. Through partnership building, a more inclusive approach to building a cyber resilient Philippines becomes feasible.

Increasing collaboration through information sharing

The acquisition of the CMSP will bolster the government's efforts in information sharing, starting with an initial list of 10 government agencies. Nevertheless, it remains unclear to what extent the CMSP will be deployed to engage other parties outside the government because such a move would surely entail critical questions relating to data protection and privacy. Given the nature of threats and risks in cyberspace as borderless, every individual or organization is put at risk of being a potential target, hence information sharing is highly imperative.

One of the prominent approaches to information sharing is the so-called Cyber Threat Intelligence or the sharing of real-time actionable information which will guide organizations to draw the appropriate response. But determining a two-way flow of sharing quality information will require a strong commitment especially among private organizations. Building trust and transparency take time as companies are often sensitive about sharing information that might expose their core processes among their competitors. However, the benefits of leveraging on collaborative networks outweigh the perceived skepticism toward information sharing, especially given the increasing damage from cyber-related incidents in the Philippines, estimated at US$3.5 billion.

To overcome such barriers, a working group comprised of representatives from the government, private sector, academia, think tanks, and not-for-profit organizations could jumpstart preliminary discussions in identifying a standardized approach, to lay the groundwork for a solid policy framework, including effective industry-led and cross-sectoral responses and trend analysis. The current efforts of the Bangko Sentral ng Pilipinas or Central Bank of the Philippines in expanding compliance to cooperative mechanisms via information-sharing within the financial industry could be a model that can be expanded or replicated into other sectors such as energy, transportation, and healthcare.

Developing the next breed of Cybersecurity Workforce

It is projected that the current shortage of cybersecurity professionals will spark an industry crisis with a staggering 3.5 million unfilled positions by 2021. In 2018, the Philippines trailed behind its ASEAN peers with only 84 certified information security systems professionals while Indonesia has 107, Thailand has 189, Malaysia has 275 and Singapore has 1,000. According to a study conducted by IBM and the Ponemon Institute in 2018, talent deficit in cybersecurity caries immense risks as the number of sophisticated data-breaches increases with the absence of competent cybersecurity professionals to deploy countermeasures in detecting and preventing attacks.

Although Artificial Intelligence, Machine learning, Data Analytics and the use of cloud computing could mitigate the shortage of cybersecurity professionals, experts argue that technology alone cannot solve the problem because detection still requires verification process from the individual to determine the legitimacy of threats. This puts the human resources dimension to building a cyber-resilient nation front and center.

As one for the fastest growing sectors in the Information Communications and Technology Industry, Cybersecurity presents a myriad of opportunities for the Philippines with its young and vibrant

workforce. To realize such an opportunity, there is a need to bridge the gap by equipping the number of talents available with the required cybersecurity-skills. The DICT, the Commission on Higher Education (CHED), and the Department of Education (DepEd) have joined forces to tackle this impending labor shortage of cybersecurity talents. Their proposed solution is to integrate cybersecurity in the academic curriculum of Senior High School students. While a bachelor's degree in Cybersecurity shall be offered, inspired by the George Marshall European Center for Security Studies.

These developments offer improved prospects for a highly-networked and internet savvy youth in the Philippines, but it requires preparing such pipeline of anticipated graduates of cybersecurity programs to be highly competitive in order to seize available opportunities in the job market. DICT, DepEd, and CHED must work in partnership with the private sector to offer immediate upskilling through actual internships and hands-on learning opportunities. In the interim, companies can either initiate retraining programs to maximize the existing pool of talents or outsource cybersecurity and compliance services to outside vendors.

Leveraging on existing regional and bilateral partnerships

In the cybersecurity realm, cooperation is not a choice, it's a given. The Philippines must leverage all possible partnerships available to meet the country's demand to bolster its defenses against cyber threats. With the porous nature of the cyber domain, risks and threats are difficult to contain, and given its limited capacity at the moment, the Philippines must strengthen its cyber intelligence-sharing capacity with like-minded partners such as the United States, Australia, and Japan. These three countries have expressed their strong desire to build on international partnerships in the realm of cybersecurity as indicated in their respective cybersecurity strategies.

For example, Japan held cybersecurity exercises in the Philippines in 2017 along with other ASEAN ministries involved in cybersecurity. Such efforts are being sustained through the ASEAN-Japan Cyber Capacity Building Center engagements in Thailand. Meanwhile, the U.S. and the Philippines held a Joint Cyber Security Working Group Briefing in 2018 to strengthen law-enforcement operations through training and technical assistance between the two governments and their respective counterparts from private companies. Through its Cyber Affairs division, Australia has been widely engaged in sharing best practices and capacity building initiatives among ASEAN member states, most notably Thailand and Indonesia. There is an opportunity for Australia to extend such collaboration with the Philippines by showcasing its thriving cybersecurity industry under its current Australia Now ASEAN program.

Just as the Philippines continues to engage its partners in the region on traditional security concerns, it must also include non-traditional strategic domains such as cybersecurity. A concrete initiative that can be explored in this area includes a joint CERT to CERT cooperation framework for cyber intel and risk assessments, as well as operational agreements on law enforcement on cyber-related crimes. A track 1.5 mechanism can provide the foundation for exploring at the bilateral level an information-sharing and analysis hub involving governments, private sector, think tanks, academia, and not-for-profit organizations.

Hong Kong: The Rule of Law, and its Long and Treacherous Road to Self-Determination

Ivy Marie Ganadillo

Ivy Ganadillo is a member of the Board of Directors of the Philippine Association for Chinese Studies. She is also the Manila Chapter head of the Pacific Forum's Young Leaders Program and a Korean Government Ph.D. scholar at Ewha Womans University.

A Hongkonger waving a British flag; students, professionals, young and old marching on the streets; hostilities breaking out at the legislative council building; harassment and riots between law enforcement officers and civilians; and canceled international flights. These, in a nutshell, are the images that tell the story of the Hong Kong Special Administrative Region (HKSAR) of China in recent weeks. What is happening in Hong Kong? Why have peaceful protests suddenly gone violent? Where will they lead? What is the future of Hong Kong?

Hong Kong has long been known for its progressive economy, as a business hub, a tourist destination, a home for liberal and international education, and a government and people who respect and value the rule of law. However, in the 2019 World Press Freedom Index, Hong Kong ranked 73rd - a drastic drop after almost two decades from 18th place in 2002.[1] In Mercer's 2019 Cost of Living Survey, HK ranked as one among the most expensive metropolises in Asia based on consumer goods and housing costs.[2] Residential property prices have increased by 242 percent over the past decade.[3] In 2018, the disparity between the rich and poor was the largest in 45 years.[4]

Only 11% of Hongkongers identify themselves as Chinese.[5] Hongkongers fear losing their freedom of speech and are greatly concerned about mainland China's growing influence on their identity and ideology, as well as the presence of more and more mainlanders in Hong Kong. Resentment continues to brew over the central government's denial of Hongkongers' genuine and universal suffrage.

Thus, there is growing discontentment with the Hong Kong government. At the start of this year, a survey showed that 49 percent of those polled were dissatisfied with the government. Chief Executive (CE) Carrie Lam recorded her lowest approval ratings since taking office in July 2017.[6] She and her predecessor CY Leung had been asked to step down for allegedly serving the interests of Beijing, rather than of Hong Kong.

Marches and protests occur every year in Hong Kong in commemoration of the region's 1997 handover to China by the British government. These often become an avenue for the Hongkongers to voice grievances and push their advocacies in the hope that the Hong Kong administrators, the Chinese central government, and the international community, especially Great Britain, will listen and act in their favor. In the past, these protest actions helped Hong Kong maintain a high degree of civil liberties and protection of its democratic institutions.

China's 1997 promise of 'One Country, Two Systems' – that Hong Kong could maintain its legal and political systems and continue to enjoy wide autonomy and freedoms for 50 years following the handover, is being tested. The birth of the 'Umbrella Movement' in 2014 awakened the world to the clamor of the Hongkongers for universal suffrage and self-determination. That 79-day protest ended in uncertainty for the protesters but contributed to the formation of new political movements and helped the opposition gain seats in the Legislative Council (LegCo).

At this year's handover anniversary, protests centered on opposition to a proposed extradition bill that would allow mainland China authorities to demand deportation of suspected criminals who are apprehended in Hong Kong. Hongkongers fear and distrust the justice system and application of law on the Chinese mainland. They recall the 2015 case of

Hong Kong booksellers who disappeared from Hong Kong, only to turn up as having been detained in the mainland.

The protests resulted in more violent encounters between the protesters and police. On 9 June and 16 June 2019, an estimated one million and two million people, respectively, went to the streets to show strong resistance to the proposed new extradition arrangements with China.[7] On 1 July, the 22nd handover anniversary, an estimated 550,000 Hongkongers - recorded as the highest turnout ever - joined the annual protest.

Furious protesters managed to block the LegCo complex, and the series of violent encounters led to the death of a protester, causing Carrie Lam to suspend the bill's reading, issue an apology, and then eventually declare it 'dead'. However, the protesters did not accept these government actions and demanded the complete withdrawal of the bill, Protests continue until now, often ending in violent police dispersals. The protesters now demand dialogue with government to be led by opposition lawmakers, complete withdrawal of the bill, an independent investigation of police brutality, retraction of the proclamation that the protests are riots, dropping of charges against the arrested protesters, and the implementation of universal suffrage.[8]

The picture of Hong Kong as a model city - prosperous, modern, international, with broad protection of the rule of law - continues to deteriorate in the eyes of its people. The conflicts and disagreements between the authoritarian regime of China and democratic Hong Kong continue to undermine trust in the current system. In 2012, there were protests against compulsory 'moral and national education,' that required the teaching of China's history, nationalism, and the Communist Party's role. Although protesters won and the proposal was canceled, the introduction of 'Basic Law Education' in 2017 indicates it was not fully scrapped.[9] Could this kind of outcome happen again?

Despite the claims that the protests are peaceful, they have now been marred with violent actions and harassment. The strong response from the Hong Kong government and law enforcement authorities have helped make the situation worse, fueled emotions on both sides, and extended the

protests so they are now felt internationally, with protesters occupying and blocking international airports in order to gain support from the international community. These events have begun to hit the economy badly, increasing pressure for the protesters, the administration and the Central government to urgently address the problem.

For Beijing, this series of events can be seen as a major win as well as a loss, according to different facets. It may be a "win" in terms of arguing before Chinese citizens that democracy is not compatible with the Chinese system, but a "loss" in terms of perceptions of non-adherence to international treaty and law, especially with respect to commitments made under the 'One Country, Two Systems' formula. If Beijing will bow to the pressure to act forcefully and interfere publicly in Hong Kong matters, this will trigger more protests and reactions not only from Hongkongers but also from the international community. For the Hongkong protesters, the risks of losing are high, as the effects on the struggling economy are apparent, whereas support from the U.S., UK and other governments may be unlikely in this complicated situation.

The Chinese government's claim that the Hongkongers misinterpret the Basic law that governs them will continue to confuse more citizens and make them feel that they are under the mercy of laws "with Chinese characteristics". There are 28 years left before the 'One Country, Two Systems' or the '50-year no-change policy' is scheduled to expire. Whether or not the Hongkongers lose this current battle, the war is bound to continue for the next three decades.

ENDNOTES

1 2019 Word Press Freedom. Reporters Without Borders. (https://rsf.org/en/hong-kong)

2 Mercer, "Mercer's 25th Annual Cost Of Living Survey Finds Cities In Asia Most Expensive Locations For Employees Working Abroad." 26 June 2019. (https://www.mercer.com/newsroom/mercers-25th-annual-cost-of-living-survey-finds-cities-in-asia-most-expensive-locations-for-employees-working-abroad.html)

[3] Peter, Thomas, "Why Hong Kong's angry and disillusioned youth are making their voices heard." SCMP. 22 July 2019. (https://www.scmp.com/magazines/post-magazine/long-reads/article/3019591/why-hong-kongs-angry-and-disillusioned-youth-are)

[4] Wong, Michelle, "Why the wealth gap? Hong Kong's disparity between rich and poor is greatest in 45 years, so what can be done?" SCMP. 27 September 2018. (https://www.scmp.com/news/hong-kong/society/article/2165872/why-wealth-gap-hong-kongs-disparity-between-rich-and-poor)

[5] HKFP, "Hongkongers identifying as 'Chinese' at record low; under 10% of youth 'proud' to be citizens – poll." 28 June 2019. (>https://www.hongkongfp.com/2019/06/28/hongkongers-identifying-chinese-record-low-10-youth-proud-citizens-poll/

[6] Chan, Holmes, "Approval ratings of Hong Kong leader Carrie Lam at lowest since taking office – HKU poll". HKFP. 30 January 2019. (https://www.hongkongfp.com/2019/01/30/approval-ratings-hong-kong-leader-carrie-lam-lowest-since-taking-office-hku-poll/)

[7] Wong, Joshua. 2 July 2019 Official Statement. https://twitter.com/joshuawongcf/status/1145951726295326720

[8] Wong, Joshua. 12 August 2019 Official Statement. https://twitter.com/joshuawongcf

[9] Chiu, Peace, "Why are Hong Kong teachers so concerned about Basic Law education?". SCMP. 3 June 2017. https://www.scmp.com/news/hong-kong/education-community/article/2096727/why-hong-kong-schools-have-teach-basic-law

Established in 2014, Asia Pacific Pathways to Progress Foundation, Inc. (APPFI) is an independent policy think tank that aims to promote peace, development, and cultural understanding for peoples of the Philippines and the Asia Pacific through research, international dialogue, and cooperation. It is the Philippine member of the regional network ASEAN Institutes for Strategic and International Studies.

The organization's work focuses on the implications of international and regional developments for the Philippines and its foreign relations. It has dedicated programs which cover international security developments, maritime affairs, connectivity and integration, and China.

Principally, APPFI undertakes three major activities. First, it conducts and publishes policy-oriented research, disseminates the same to relevant stakeholders, and provides quarterly analyses of regional developments. Second, it organizes roundtable discussions and national as well as international conferences, solely or in partnership with other institutions. Third, it hosts exchanges and develops issue-based partnerships with governmental and non-governmental organizations, academic institutions, and the private sector in the Philippines and the Asia Pacific.

RESEARCH PROGRAMS

- CHINA PROGRAM

  APPFI's original flagship program focuses on China and Philippines-China relations. The China Program stands on two pillars: (1) promoting better understanding among Philippine stakeholders of the implications of China's emerging role in East Asia and the world, and (2) strengthening linkages and engaging in Track Two diplomacy between these two neighboring countries.

- MARITIME DEVELOPMENT & SECURITY PROGRAM (MDSP)

  This multidisciplinary program explores how the Philippines can enhance advantages and minimize threats and risks arising from its maritime strategic environment, looking toward both the internal and external dimensions. MDSP aims to generate timely discussions and appropriate recommendations regarding the strategic implications of Philippine maritime security, marine economic resources, and coastal development.

- REGIONAL INTEGRATION & CONNECTIVITY PROGRAM (RICP)

  The RICP promotes a critical understanding of the political economy of regional development, and of economic trends and issues that affect Philippine national and regional interests. It seeks to generate insights and research that will enable the Philippines to strategically navigate through its international economic engagements, and interact beneficially with regional states and multilateral institutions.

- REGIONAL SECURITY ARCHITECTURE PROGRAM (RSAP)

  The RSAP examines the evolving security environment, the role of multilateral and other forms of security associations, and institutional developments that affect Philippine and regional security. RSAP will be a hub producing research, intelligent commentary, and policy briefs from leading experts and specialists in the Philippines and the wider Asia-Pacific region.

Closely linked to, but independent from the Christian Democratic Union of Germany, Konrad Adenauer Stiftung (KAS) Philippines is a German political foundation. Established in 1964, KAS Philippines was the first ever KAS office in Asia. Ever since its inception, KAS has been actively working in the Philippines under the principles of freedom, justice, and solidarity.

With the main purpose of developing programs that boost the country's democratic institutions and processes, KAS strongly believes that human dignity and human rights are at the very heart of their work. Thus, KAS regards people as the starting point of its initiatives towards social justice, democratic freedom, and sustainable economic activity. KAS Philippines creates, develops, and sustains networks within the political and economic arenas by bringing people together who take their mandates seriously in society.

Given that KAS provides, not just research, but also robust and dynamic activities, the foundation considers itself not just as a think tank, but a think-and-do tank that works along socially equitable, economically efficient, and ecologically sustainable lines. KAS Philippines' country foci are institutional and political reform, the social market economy, and peace and development in Mindanao. The foundation works with civil society organizations, the academe, governmental institutions, political parties, think-tanks, the media, and decision-makers, creating strong partnerships along the way. Particularly, KAS Philippines aims to increase political cooperation in development cooperation at the national and international levels.

ASIA PACIFIC PATHWAYS TO PROGRESS
FOUNDATION, INC.

UNIT 17E ONE BURGUNDY PLAZA, 307 KATIPUNAN AVENUE,
BARANGAY LOYOLA HEIGHTS, QUEZON CITY, PHILIPPINES 1108

(+632) 8251-6793 contact@appfi.ph

appfi.ph @appfi_ph