



STRATEGIC INSIGHT 2019

SELECTED COMMENTARIES
ON PHILIPPINE FOREIGN RELATIONS
AND REGIONAL AFFAIRS

VOLUME 2





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Asia Pacific
Pathways to Progress
Foundation, Inc.



KONRAD
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“Strategic Insight Volume 2”. 2019. Quezon City: Asia Pacific Pathways to Progress
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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.

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STRATEGIC INSIGHT 2019

Strategic Insight is a collection of original commentaries by APPFI's in-house analysts, and articles contributed to APPFI by various commentators covering developments relevant to Philippine foreign relations. The essays may also be accessed online at <https://appfi.ph/resources/commentaries>

The 2019 Philippine Elections: Consolidating Power in an Eroding Democracy

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The outcome of the 2019 midterm elections in the Philippines displayed the domineering political influence of President Rodrigo Duterte, a crowded-out opposition, and the limits of his promise for genuine and meaningful socio-political change.

On May 13, 2019, more than 60 million Filipinos went to the polls for the country's midterm elections. In this particular ballot exercise, voters elected half of the nationally-elected Senate as well as district and party-list legislative representatives, and local government officials.

President Duterte himself is not subjected to this electoral contest as he is given a single six-year term without re-election until 2022. It has been however a widely-shared belief that a midterm election serves as an

This article first appeared in Heinrich Böll Stiftung's website. June 21, 2019. <https://th.boell.org/en/2019/06/21/2019-philippine-elections-consolidating-power-eroding-democracy>

informal referendum on the president. This becomes more salient given Duterte's sustained popularity ratings despite his deeply polarizing policies and his administration firm control over the republic's political institutions.

It has been three years since the firebrand leader became Philippine president with the promise to embark on widespread and systemic change. Though there have been some changes put in place, there is also the perception that most things have remained the same. Judging by the conduct of the 2019 electoral campaign and its outcomes, one can surmise that Philippine politics was in "business-as-usual" mode defined by patronage, clientelism, and traditional politics.

The more things change, the more they remain the same

As with previous midterm elections, among the 18,000 positions to be filled, the country's interest was directed toward the competition for the 12 seats in the Senate. The nationwide electoral campaign compelled most senatorial candidates to formulate comprehensive electoral platforms, forge political coalitions, and take a stand for or against the Duterte administration.

Despite being Asia's first constitutional democracy, there leaves much to be desired with quality and integrity of Philippine elections. The absence of a credible and strong party system continues to influence politicians to rely on traditional political machines that contained "guns, goons, and gold". Rather than battle of policy-based ideas, an election campaign remains popularity contests where name recall, celebrity status, and political pedigree determines likely success.

The 2019 midterm elections further validated the centuries-old state of electoral play – exclusionary, elite-oriented, and costly. Despite the questionable integrity of its elections, Filipinos often troop the polls in huge numbers with an estimated 75-78 percent voter turnout.¹

Electoral politics left in the hands of the "one percent" is the default setting in the Philippines. This can be seen in the resilience of political dynasties in this election cycle.² Duterte did not stem their growth and persistence leading to the 2019 elections. On the contrary, his own family's

hold on local politics in Davao city. His eldest son also won a district representative seat in the country's lower legislative chamber, the House of Representatives. Similar to many Filipino political families, not even the Dutertes can avoid the lure of dynastic expansion once they have acquired national power.

While it is entirely possible for any administration to cause significant changes in the span of a few years, it is not totally unfair to expect that from the Duterte presidency. One may remember that his electoral triumph in 2016 was based on a deep and popular resentment over the political establishment composed of the Manila-based liberal, populist, and oligarchical elite.

People's expectations on Duterte's ability to improve their plight is still reflected in his highly positive trust ratings. While it baffles many, the firebrand president's popularity³ has withstood the negative and critical treatment of the foreign and local press. One may analyze this sustained loyalty of Filipinos to Duterte as a "sunk investment" since many of them have pinned their hopes to improve their conditions to the president with no viable leadership alternative in sight.

Also important is the sense that the public at large has been exasperated with the arduous and long-winding processes that lead to countrywide development, peace and order, and political stability are pegged. Duterte has maintained a performative and a perceived substantive commitment to rapidly deliver outcomes regardless of the collateral damage. It is this impatience with the way Philippine democracy has worked in the past that feeds Duterte's continued popularity to many Filipinos across classes and locations.

Strange bedfellows: A formidable Duterte coalition

Instead of transforming the country's political landscape to make it more people-oriented, progressive, and inclusive, Duterte's actions in the 2019 electoral campaign showed a level of comfort to preserve the status quo he promised to meaningfully change. Unlike other populist leaders around the world, Duterte did not create a mass-based political party with deep linkages

from the grassroots that helped him win the presidency in 2016. Traditional politics defined by patronage and personal loyalty seems to have defined the criteria for candidate selection to the administration's coalition.

As expected, Duterte became the centripetal force for different aspiring candidates in the senatorial and local elections. The popular chief executive's endorsement became the most valuable political currency vital for any politician's electoral success.⁴ Similar to other populist leaders around the world, Duterte never left the campaign pulpit. Without hesitation, the president willingly supported and campaigned for his personal choices. He also continued to disparage the opposition that he vanquished in the 2016 elections.

But there is a stark difference – unlike in 2016, he has the entire machinery of the Philippine state to provide the resources for his preferred candidates. Duterte's "incumbency advantage" was transferred to the administration's slate for the senate and local positions. Though this is not something new in Philippine electoral politics, the electoral competition became highly skewed against those in the political opposition as the Duterte administration pushed for a complete sweep of the senatorial elections.

Thus, the challenge for the Duterte administration is to have a strong line-up of senatorial candidates given the many politicians who wished to be included in the slate. But instead of coming up with a single list, the coalition that propped Duterte has produced several line-ups with more candidates than the seats that were in electoral contention.

In the end, there were three groups of senatorial candidates associated with the administration.⁵ The first is the official line-up of Duterte's party (*PDP-Laban*) composed of five candidates. The second is Duterte's personal list composed of the 5 *PDP-Laban* candidates with seven sourced from other smaller parties and independent personalities. To many observers, the combination of the two lists should be sufficient for the Duterte administration to field a strong line-up.

A third list however emerged that pitted some candidates against the supposed administration slate. This was led by Sara Duterte, the president's

daughter and an emerging force in the political arena. Sara founded *Hugpong ng Pagbabago* (HNP, Group for Change), a regional party based in southern Philippines, to unify Mindanao-based political groups and support the agenda of her father. It must be noted that PDP-Laban itself has a solid base in Mindanao. Therefore, it was unavoidable that both parties competed against each other in the elections at the local level.

Wanting to prove that she is her father's daughter, Sara started to show her political influence last year when her party became instrumental in the ouster of the Speaker of the House of Representatives, a known stalwart of the president's party *PDP-Laban*. He was replaced by former president Gloria Macapagal-Arroyo, a known ally of both the president and Sara Duterte.

Sara's HNP senatorial slate however had 13 candidates which is more than the twelve seats to be filled in the elections. It also had controversial candidates included in its line-up such as an ex-senator convicted of plunder, a daughter of the country's dictator during martial law, and a former chief of the police that helped carry out Duterte's bloody war on illegal drugs.⁶

Having multiple lists, created some confusion but also had several important revelations. First, Sara Duterte's political manoeuvring is distinct and even contrary to the interests of the leaders of her father's official party.⁷ This is based more from the dynamics of local politics in Mindanao as the Dutertes want to remain the sole broker and political warden of the South.⁸

Second, having more bets is consistent with the administration's overall goal of sweeping the senatorial elections. This is critical to capturing the "last bastion of resistance" from the complete domination of the Duterte administration of the government in its entirety. Duterte has a comfortable super-majority in the House of Representatives and he has appointed enough member in the country's judiciary. The 24-member Senate is the only political institution where the Duterte administration does not fully control.

Finally, there is some indication, admitted by many political figures that included President Duterte himself, that Sara Duterte is positioning to be a strong contender for the presidency in the 2022 elections. If this is true, it will alienate some prominent members of the Duterte coalition down the

line especially those who have presidential ambitions. Thus, the 2019 elections are really about giving us a glance on the likely political landscape of competition for the 2022 elections.

The opposition: Outnumbered, outspent, outmaneuvered

Since he assumed office in 2016, President Duterte's domineering influence has severely weakened the opposition. Some of its members are currently detained for alleged wrongdoing while others have been harassed. His administration has shown a great disdain for criticism and opposing views that it refused to share power with the political figures associated with the previous government.

In this election cycle, the opposition slate composed of eight senatorial candidates failed to make it to any of the twelve contested seats.⁹ Other individual candidates who took an anti-Duterte stance also were not successful. This is the first time in contemporary Philippine political history that the opposition has not won a single seat in a legislative election since the 1930s.

Being unable to field a complete slate of twelve candidates, the opposition showed political weakness. It has utterly failed to build a coalition against the formidable Duterte line-up. While their slate contained strong contenders, they were politically outnumbered but also unable to mobilize local political networks as most of their allies have already shifted their loyalties to the administration.

The opposition also did not have access to the entire machinery of the Philippine government. Even though it is against electoral rules for the bureaucracy to participate in partisan politics in the Philippines, this is rarely enforced. The same opposition candidates who ran in this election also benefitted from the government apparatus when they were associated with the ruling government in the past. In the end, they simply did not have adequate resources to match the Duterte coalition. The playing field simply was not at all competitive.

However, the political opposition's failure mainly stemmed from their failed electoral strategy. They chose to face off with Duterte who was not

even competing with them for an electoral seat. He was not on the ballot and yet the opposition candidates chose to primarily engage him rather than Duterte's own candidates for the Senate. They were no match to his populist style of campaigning.

The outcome for the opposition also demonstrated that the electorate were mainly mobilized through groundwork campaigning through local political networks composed of community leaders and local government officials. While they spent a lot of time targeting a "market vote" through media campaigns and rallies, they were unable to convince many voters who already committed to their local brokers.

The widely-televised national debates among senatorial candidates did not have a significant effect to improving the standing of the opposition candidates. In fact, many of those who won in the senate refused to participate in these debates. Also, those who were perceived to have done well in the debates did not win while pro-Duterte candidates who were assessed poorly were successful in the polls.

The opposition had a lost opportunity to convince the electorate to vote for them. At the height of the campaign, the negative impact of inflation has already been attenuated. Some of the candidates were also not successful with using Duterte's pro-China stance to rally support. Finally, by associating with the severely weakened Liberal Party, the opposition took a nose dive as it was not able to convince many Filipinos that it can provide the viable alternative to the current Duterte-dominated political status quo.

Democracy in distress: Future prospects

It was unsurprising that Duterte's senatorial candidates dominated the 2019 elections. Given this, his administration currently enjoys a "super-majority" or almost two-thirds of the Senate. It also has maintained its control of the House of Representatives and most of the local governments in the archipelago. Duterte has effectively concentrated political power in ways unseen since the country underwent dictatorial rule.

It is not coincidental that Duterte's consolidation of power goes side by side with the further erosion of the country's already weak liberal democratic regime. It is a mistake to attribute the decline of the Philippine democratic quality solely from the populist leader as the country's elites have generally paid lip service to institution-building and democratic deepening. However, it is quite obvious that Duterte made major moves to cause the further deterioration of Philippine liberal democracy.

This conforms to the global trend of democratic rollback around the world. Duterte is identified as part of a cabal of populist strongmen bent on undermining the liberal foundations of democracy. In Southeast Asia, the outcome of the 2019 elections further proved that democracy remains in deficit in the region. Almost all states in the region seem to be comfortable in suspending or sabotaging their own democratization processes.

With its long experience with democracy, the Philippines is not showing a good example of democratic progress to its neighbors in maritime and mainland Southeast Asia. The future of democracy in Southeast Asia remains bleak.

It remains uncertain where the Philippines will end up after Duterte finishes his term in 2022. While his coalition already has an upper hand in dictating the political succession after Duterte, a lot of things can still happen between now and that election cycle. Duterte has promised to change the 1987 Constitution and his allies have threatened to remove most of its progressive components.¹⁰ This undoubtedly will effectively destroy what remains of the republic's liberal democratic institutions.

This possible tragic outcome comes at the expense of the great expectations of empowerment, development, and inclusion that Duterte promised when he ran for president. While ordinary citizens are used to being manipulated by the usual predatory elites that dominated politics for decades, they were made to believe that Duterte is not one of them. If the president fails to deliver on his promises and he proved to be just like any other traditional politician, it will not only be frustrating but truly heart-breaking for many Filipinos.

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Balancing Law and Realpolitik in the South China Sea

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“There is no ifs and buts. It is ours. But we have been acting along that legal truth and line. But we have to temper it with the times and the realities that we face today.” This statement in President Rodrigo Duterte’s fourth State of the Nation Address (SONA) last month reflects his policy toward Philippine claims in the South China Sea. That position has remained fairly consistent since coming to power in 2016. As he sets out to visit Beijing for the fifth time this month, maritime issues will once again be high on the agenda.

Conflict avoidance and protection of the country’s waters and marine resources constitute Duterte’s fundamental priorities in the South China Sea and he sees peaceful dialogue as the best way to achieve them. He has argued, “More and better results can be reached in the privacy of a conference room than in a squabble in public.” But high public mistrust of China and perceived weak handling of sea incidents have raised demands for transparency or oversight in the conduct of such talks. This

This article first appeared in the Asia Maritime Transparency Initiative. August 26, 2019. <https://amti.csis.org/balancing-law-and-realpolitik-in-the-south-china-sea/>

should, however, be balanced by a respect for the very real sensitivities attached to diplomatic negotiations, especially over a decades-old territorial and maritime row.

While recognizing the value of the landmark 2016 arbitral ruling, Duterte seems mindful of its constraints and is aware of both the realities on the ground and the larger geopolitical context at play. In his 2016 SONA, he “strongly affirm[ed] and respect[ed]” the ruling, calling it “an important contribution to the ongoing efforts to pursue the peaceful resolution and management of our disputes.” He views the arbitral ruling as a legal tool to advance the country’s maritime interests but decided to play the card in the context of bilateral discussions where he thinks it will have more value.

Duterte has spent precious political capital to stand his ground on the issue. In his 2017 SONA, he said, “We have cultivated warmer relations with China through bilateral dialogues and other mechanisms, leading to easing of tensions between the two countries and improved negotiating environment on the West Philippine Sea.”

Part of his gamble has paid off, but challenges remain. He was able to secure renewed access for Filipino fishermen to Scarborough Shoal a few days after his first state visit to China in 2016. Reports of harassment subsided initially, though they have reemerged in recent years. He thinks that a proposed joint development plan for oil and gas at Reed Bank can lift the moratorium on upstream activities in the Philippines’ exclusive economic zone by reducing political risk, thus enticing more capable investors to participate. But to avoid constitutional and legal hurdles, such an undertaking should conform to Philippine law, including a 60/40 ownership formula in the country’s favor.

Duterte’s relations with China and his handling of the South China Sea has been the subject of scrutiny and criticism. But he repudiated charges that economic largesse softened his stance on the issue. In his SONA last year, Duterte said, “Our improved relationship with China, however, does not mean that we will waiver in our commitment to defend our interests in the West Philippine Sea.”

Despite efforts to manage the disputes, recent events have brought the spotlight back to the South China Sea. The massing of Chinese ships near Thitu Island¹, the June 9 sinking of a Filipino fishing boat at Reed Bank², and the unannounced passage of Chinese warships³ in Philippine waters raised suspicions about China's intent. It also puts into question China's ability, if not desire, to rein in and discipline its fishers and maritime law enforcers.

The activities of Chinese vessels around Philippine-occupied features and the Philippines itself appear to be driven by national security concerns, which China sees as justifying entry into Philippine waters even in apparent violation of international and Philippine law. For instance, Beijing appears to be monitoring Manila's construction work on Thitu in the same way that the Philippines and other claimants, as well as non-claimants, monitor China's activities on features it occupies. And some Chinese passages through Philippine archipelagic waters and territorial seas could be aimed at tracking the movements of U.S. warships. Other Chinese activities, including those of survey vessels in the Philippine exclusive economic zone, are likely military rather than commercial or scientific in nature.

China's interference in the maritime economic activities of other claimant states⁴ and the presence of its survey and naval vessels in the waters of neighboring coastal states only serve to heighten concerns over its behavior and intended end game in the contested sea. In turn, it pushes militarily-disadvantaged claimants to welcome involvement by major powers, notably freedom of navigation operations by the United States, as a counterbalance.

However, such demonstrations of high seas freedoms also generate worry of turning the sea into an arena of unbridled great power contestation with serious consequences for regional peace and stability. As it reacts to the presence of gray- and white-hulled vessels from outside powers, China cannot ignore the legitimate rights and interests of littoral states. Otherwise it will stir up tensions in the much-coveted sea.

The history of the South China Sea disputes reveals that wresting control of a feature requires confrontation or deception. Once lost, it is nearly

impossible to regain. Once occupied, it is difficult to dislodge the occupier. This is the sea's realpolitik. Each claimant is in possession of some features and from these positions project their jurisdictional capabilities.

For years, underinvestment by Manila in its defense posture in the Spratly Islands eroded its pioneering presence in this strategic maritime space. In contrast, others had bolstered and cemented theirs. This enabled other claimants, notably China and Vietnam, to better exploit the sea's marine resources and guard their claimed waters. After losing Southwest Cay to Vietnam in 1975, Mischief Reef to China in 1995, and control over Scarborough Shoal to China in 2012, the country cannot afford to lose another feature. Maintaining its foothold in the Spratlys and access to Scarborough Shoal, harnessing the sea's marine resources, and protecting its fishers and offshore energy service contractors are paramount.

While international law matters, Duterte is not putting all his eggs in that basket. Rhetoric aside, construction works on Thitu, continued maritime capacity-building with support from partners, expanding naval and coast guard diplomacy, participation in regional confidence-building measures, and engagement with China in both bilateral and regional dialogues display a diversified toolkit.

The recent "first reading" of the single draft negotiating text of the Code of Conduct shows progress in regional efforts to manage the disputes.⁵ The Philippines is playing no small role in this effort as ASEAN-China country coordinator. Duterte, in fact, raised the urgency of concluding the code of conduct at the soonest possible time. Likewise, the adoption of a Guidelines for Maritime Interaction in the last ASEAN Defense Ministers' Meeting in Bangkok builds on positive momentum toward dispute management and preventive diplomacy in the last three years.⁶ Though China is not party to those guidelines, they provide standards that ASEAN could promote in discussions with Beijing.

Indeed, while criticized for advertising his country's weakness and overplaying the risk of war to stress his point, Duterte's actions in the South China Sea seem far from capitulation.

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Can the Philippines Forgo Chinese Investment for Maritime Security?

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In January 2019, South Korea's Hanjin Heavy Industries and Construction closed down its shipbuilding operations in the Philippines.¹ Hanjin represented the single biggest case of foreign investment in the country when it entered in 2006. Its ship exports have helped put the Philippines on the map as the world's fifth-largest shipbuilding country. The Hanjin shipyard alone sits on a 300 hectare area of Subic that was the United States' biggest naval base in the Western Pacific before it became a free-port zone in 1992. At its peak, Hanjin employed a 33,000-strong workforce.

The closure of the South Korean shipyard raises the question for the Duterte government of what to do with the remaining 3,000 workers who lost their jobs. The company currently also owes creditors a total of US\$1.3 billion (of which US\$400 million is owed to five Philippine banks).

The latter amount is not enough to dent the Philippine banking system, let alone the national economy, but the impact on the shipbuilding industry and the local community is significant. The search for new investors — a

This article first appeared in the East Asia Forum's website. March 12, 2019. <https://www.eastasiaforum.org/2019/03/12/can-the-philippines-forgo-chinese-investment-for-maritime-security/>.

white knight — is under way, with reported interest from three Chinese corporations² and possibly Filipino, Japanese, Korean, Turkish, U.S. and European players.

The possibility of a single Chinese investor taking over the shipyard looms. Both China and the Philippines are interested in cementing investment cooperation, while China has considerable capacity and experience as the world's top shipbuilder.³ Bureaucrats and creditors would likely prefer such a simple and quick solution.

On the one hand, a new investor could help save the industry, provide jobs for the displaced workers, help pay off the creditors and continue to transfer maritime industry-related skills and technology considered indispensable to the Philippines. On the other hand, the Philippines does not tend to see China as an ordinary investor, due to persisting territorial disputes and mistrust of Beijing's strategic intentions.

Meanwhile, the Philippine Navy has been actively lobbying to take over at least part of the facilities, with both Defence Secretary Delfin Lorenzana and the President indicating that they are willing to look at this option.⁴ The arguments put forward by the navy and its supporters appear to be based on three points.

First, the Philippines, as an archipelagic state and maritime nation, needs to further develop its shipbuilding and repair capabilities. This would be in line with the Philippines' existing efforts to beef up external defense, promote maritime security and protect its vast marine resources. The navy has already started acquiring new vessels and plans to build over 30 boats in the next 5–10 years.

Other institutions which stand to benefit from an upscale facility servicing the public maritime sector's needs include the Coast Guard (which is tasked with securing the country's 36,000 kilometer coastline), the fisheries bureau and other maritime authorities that perform law enforcement functions in waters surrounding the 7,500 islands that make up the Philippines.

A public–private partnership may be the way forward, since taking a direct hand in running an enterprise would contradict the government's

philosophy of privatization. Moreover, the military establishment has neither the capability nor the desire to run a shipyard.

The second reason in favor of the navy assuming control over the shipyard is the lack of a well-protected, deep-water harbor that can house a new inventory of larger vessels.⁵ Current naval bases do not provide large enough or deep enough berthing areas. Subic's location in north-west Philippines would give the navy the added advantage of cutting response time in the event of security contingencies near Scarborough Shoal, the West Philippine Sea or even the north-eastern seaboard up to Benham Rise.

For regional security observers, perhaps the more compelling argument is that Subic itself should be secured against control by potentially destabilizing forces. China's de facto control of nearby Scarborough Shoal since 2012 — and its military presence on the Subi, Fiery Cross and Mischief reefs since 2014 (all which are claimed by the Philippines) — have altered the balance of military forces in the South China Sea in China's favor. This is cause for concern for the Philippines, other littoral states and maritime powers like the United States and Japan.

During warfare, these isolated reefs might be considered indefensible sitting ducks. But the presence of the Chinese People's Liberation Army and militia in the neighborhood even now shapes and constrains strategic options by other states. The territorial disputes are yet unresolved, and the outcomes of China–U.S. geopolitical competition remain uncertain, while tensions across the Taiwan Straits are heating up.⁶

In such conditions, strategic locations such as Subic Bay — where the U.S. and Philippine militaries still hold intermittent exercises — become all the more relevant, not just for the Philippines but for China's and the broader region's security interests. Duterte's government understandably does not want to be caught between the two major powers as economic ties with China expand.⁷ But Beijing's growing maritime power and recent assertiveness threaten to cancel out the incipient economic and diplomatic benefits of improved relations since 2016.⁸ The Hanjin shipyard case is but a microcosm of this precarious dilemma that Manila faces in its China policy.

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Can a South China Sea Code of Conduct Help Ensure Regional Stability? Here are Four Ways it Could be Strengthened

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The China-Philippines Scarborough Shoal stand-off in 2012, the China-Vietnam oil-rig incident in 2014, China's island-building and militarization operations, the Philippines' Permanent Court of Arbitration landmark victory in 2016 and the regular U.S.-led freedom of navigation operations all highlight the inefficacy of the 2002 Declaration on Conduct (DOC) of Parties in the South China Sea and the complex interplay of economic, environmental, legal, political and strategic issues.

The announcement of the Single Draft Negotiating Text for a code of conduct in the South China Sea last August by the Association of Southeast Asian Nations and China has raised hopes that such a code will ensure lasting peace and stability in the South China Sea.¹

This article originally appeared in South China Morning Post. January 8, 2019. <https://www.scmp.com/comment/insight-opinion/united-states/article/2180990/can-south-china-sea-code-conduct-help-ensure>

While details of the text have yet to be officially issued, a leaked draft includes five critical issues for negotiations – “geographic scope”, “dispute settlement”, “duty to cooperate”, “role of third parties” and “legal status”. In these, the code has gone farther than the declaration on conduct with respect to dispute settlement and duty to cooperate. Proposals on dispute settlement have included options such as conciliation, mediation and the activation of the High Council for the Treaty of Amity and Cooperation.

On duty to cooperate, particularly maritime cooperation, the declaration’s five areas of non-traditional security cooperation have been expanded to include illegal fishing, marine connectivity, and oil and gas resource cooperation. However, China has floated the idea that cooperation related to the marine economy should not include extra-regional countries.

As for confidence-building measures, in addition to military exchanges, humane treatment of people in distress and voluntary notification of impending joint military exercises stated in the DOC, the code of conduct warrants that an exchange of information, mutual port calls of military vessels and joint patrols and military exercises be done on a regular basis. China also seeks to ensure that a veto power can be exercised over joint military exercises that are to be conducted with extra-regional countries.

On self-restraint, the Philippines has suggested traditional fishing rights² and access to features and fishing grounds be guaranteed while Vietnam has proposed that there be no further construction of artificial islands, militarization of maritime features, blockade of vessels carrying provisions and personnel, declaration of Air Defence Identification Zones, and the simulation of attacks involving aircraft and vessels from other claimant countries.

These calls for proscribing specific actions are vital because the absence of technical specificity has led to unpredictable behaviour and regional instability. This is why, regardless of rounds of non-traditional security cooperation workshops and dialogue, security complications recur, and confidence-building measures, such as maritime/naval exercises, hotline communication and a Code for Unplanned Encounters, appear to be token gestures.

While progress has been made, more could be done on geographic scope, duty to cooperate, role of third parties and legal status. First, the code's area of coverage should explicitly include the Paracels, Scarborough Shoal and the Spratlys because these are the areas where maritime incidents have reached crisis levels. Tensions in these areas have compelled claimant states, such as the Philippines and Vietnam, to take their case to ASEAN.

Second, duty to cooperate may include the establishment of joint marine protected areas, a regional fisheries organization and an integrated maritime tourism program in the Spratlys. China's artificial islands, given their advanced maritime infrastructure, could be designated as a hub for promoting non-traditional security cooperation such as marine scientific research, disaster prevention and mitigation, and humanitarian assistance and disaster relief.

By involving China in fostering regional public good and demonstrating compliance with international environmental laws, threat perceptions about the military functions of China's man-made islands can be reoriented.

With respect to self-restraint, prohibitive clauses should extend to the non-unilateral deployment of oil rigs and energy exploration, the avoidance of hostile language in radio warnings to approaching foreign aircraft, not condoning illegal fishing practices and not using grey-hulled ships in apprehending lawbreaking fishermen. Additionally, the notion of "militarization" needs to be clearly defined because some equipment and facilities such as "weather observation stations" have "dual-use" functions.³

Third, apart from China, major powers such as Australia, France, Japan, India, the UK and the U.S. have a geopolitical stake in the South China Sea because a presence in the waterway is crucial to projecting military power, accumulating political power through the potential blockade of maritime commerce, and maintaining the liberal international order.

Since China believes the U.S. is the main instigator of instability⁴ in the South China Sea and that it merely responds to American military "provocations", including the U.S. as a party to the code of conduct should be considered; a code that does not bind Washington would only continue

to cause trouble for Beijing. If the U.S. participates, other major powers would also accede. Alternatively, China in relation to the U.S. and other major powers could articulate its own framework.

Fourth, for the code to be legally binding, there should be a provision prescribing the sanctions or penalties in the event of defection or non-compliance by any of the claimant states.

For ASEAN, the code of conduct is important in illustrating institutional capacity and centrality. For China, it is an opportunity to mitigate the cost to its reputation of the creation and militarization of artificial islands. But should the code fail to be effective, both ASEAN and China's credibility in managing regional security issues would seriously be eroded.

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Indomalphi: From State Actions to ASEAN Maritime Security Regime

Grace Guiang

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The launching of Indomalphi Trilateral Maritime Patrol (TMP) in July 2017 was a celebrated milestone on security cooperation among the three neighbors Indonesia, Malaysia, and the Philippines. Patterned from the Malacca Strait Patrol (MSP) such that it has also three components, the maritime patrol was followed shortly by introduction of air patrol and intelligence sharing. Since then, meetings and patrols have periodically convened, with each party rotationally taking turns in hosting the operations.

A sustained and institutionalized Trilateral Cooperative Arrangement (TCA) can become one of Southeast Asia's security regimes.

International relations scholar Robert Keohane defines regimes as “institutions with explicit rules agreed upon by the governments that pertain to particular sets of issues in international relations”. In this case, Indomalphi addresses overlapping transnational crimes including kidnapping, piracy, smuggling, and terrorism. In order to be effective, regime policies and practices need to be incorporated into state-level institutions and strategies.

A year ago, I argued on how such a bottom-up unilateral approach advances ASEAN security.¹ More recently, we are seeing not only the improvement and seriousness of tri-border cooperation but also how

individual state-member have begun to incorporate relevant practices into national efforts.

On the other hand, we cannot ignore ASEAN's role. How can existing ASEAN mechanisms contribute to "security unilateralism" when these mechanisms themselves are challenged by the lack of institutionalization, legalization, harmonization, and coordination?² Who will learn from whom? With its member-states' diversity in geography, priorities, and goals, can ASEAN itself develop into a maritime security regime?

Year One

During the Trilateral Intelligence Exchange (Intelix) meeting in Manila in August 2017, the group collectively agreed to designate a point of contact from each state's combination of military and police personnel to facilitate the intelligence-sharing. A newly rehabilitated border post on Balut Island in Sarangani Province was to function as an inter-agency monitoring station on the Celebes Sea; while Malaysia and Indonesia were to establish five command posts along the Sabah, Sarawak and Kalimantan borders. Philippine President Rodrigo Duterte even looked into the possibility of creating a task force, which Asian security observer Prashanth Parameswaran argued "would represent quite a dramatic acceleration in sub-regional cooperation", as this would entail more coordination among government agencies.³

The launching of the air space surveillance component followed in October 2017.⁴ All three air forces committed to implement a deployment schedule of air assets adopting a monthly rotation. For instance, Malaysia led the joint air patrol in November 2017, which involved the aerial monitoring of 17,000 nautical miles and eight transit corridors, covering the waters of the three countries.

In November 2017, the first port visit was held in Tawi-tawi, Philippines. The second followed in April 2018, with joint warship exercises in the waters off Tarakan, Indonesia.

During the third maritime patrol in early September 2018 in Sandakan, the Royal Malaysian Navy identified 'rat-routes' in the Sulu and Sulawesi

seas where criminals enter Sabah illegally and undetected. Such information was based on the intelligence shared among the three countries preceding the exercise at sea. According to Indonesian Defense Minister Ryamizard Ryacudu, there was a plan to build a land patrol training component aside from the maritime command centers and intelligence-sharing. Moreover, a cultural exchange program was held to promote better understanding and to build trust among the neighbors.

Discussions remain vague regarding such expansion and whether there should be a role for major powers⁵, or how to go about TCA's cooperation with any regional partner.

On 12 to 23 March 2018, the Philippines' Western Mindanao Command (WesMinCom) hosted air patrols with Malaysia as part of the TCA over the common area of maritime interest. In a separate cooperation between the Philippines and Australia, the Naval Forces of WesMinCom and the Royal Australian Naval Forces conducted the second Maritime Security Engagement from 13 March to 2 April in the waters of Basilan, Sulu, and Tawi-Tawi. This displays two separate patrols that may potentially collaborate in the absence of formal arrangements for regional partnership. Collaboration could also save time and resources.

However, to recall, one of the catalysts of the TCA was when Duterte invited China to patrol the Sulu-Celebes Seas, prompting Indonesia and Malaysia to expedite launching as they oppose direct participation by external powers.⁶

In Sync with National Efforts

Such multinational efforts should complement and be in sync with maritime security strategies and practices at home. For example, the Philippine Coast Guard deployed sea marshals to accompany cargo vessels from Cebu and passenger ships from Manila to Zamboanga and Moro Gulf, as requested by shipping lines.⁷ A new coast guard ship sailed to critical sea lanes: the Sibutu Passage, Basilan Strait, and Moro Gulf. During the first quarter of 2018, the Philippines finalized plans to construct a new naval

station in Barangay Bual, Luuk, a town in Sulu. The current administration is taking this seriously since the attacks in Marawi challenged this entire region. Maritime piracy exacts high human cost especially for a seafarer-exporting country like the Philippines. Of the 1,150 total seafarers who were exposed to piracy and armed robbery incidents in 2017, nationalities of the 661 were verified and 43% were Filipinos.

Despite such efforts and the fact that the numbers of transnational crimes are decreasing, criminals are still at large and there is still much to do. A kidnapping incident took place in January 2018, with the three Indonesian hostages rescued in Sulu on 15 September.⁸ There were also attacks in Surabaya, Indonesia in May 2018.

Evolving Into a Maritime Security Regime

At the level of ASEAN, there are several mechanisms against maritime and transnational crimes. For example, the ASEAN Defense Ministers Meeting-Plus and ASEAN Regional Forum can facilitate military exercises and may provide financial assistance for security cooperation respectively. However, these mechanisms are also being criticized for the lack of institutionalization, harmonization, and coordination.

ASEAN never runs out of ideas and approaches in cooperation, but implementation is a complicated story. Despite having a comprehensive plan of action for counter-terrorism—which includes assimilation of academic research into policy, economic initiatives, religious dialogue, public participation, engagement of rural communities—the regional block lacks a unified ASEAN position on national counter-terrorism strategies.⁹

Ideally, the TCA can fill in gaps on institutionalization and coordination of ASEAN. It is however still too early to proclaim success like the MSP, but the TCA deserves credit for a productive first year. On the other hand, the TCA may not be as comprehensive as ASEAN mechanisms and action plans, thus ASEAN's role is still relevant especially in stressing the sociocultural aspect in addressing security. Second, ASEAN mechanisms provide platforms for external partners when the TCA has still no definite plans for expansion.

Through subregional maritime cooperation, ASEAN can develop into a security regime by making use of these grounded cooperation as well as retaining efficient and inclusive measures at the regional level. The block must positively contribute rather than be another cause of challenges for the TCA.

Moreover, the stability in this side of the region will elevate the chance of prosperity in the economic front such as economic zones and corridors in southern Mindanao and the BIMP-EAGA.

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The Philippine-U.S. Alliance in 2019

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At the tail end of 2018, two developments rocked the alliance between the Philippines and the United States. Delfin Lorenzana, the Philippines' secretary of national defense, called for the review of the Mutual Defense Treaty.¹ In the United States, Secretary James Mattis resigned out of principle, to be temporarily replaced by his relatively inexperienced deputy. With US-China competition moving into high gear, coupled with the unstable domestic politics of the two allied countries, a review of the mutual defense treaty will pose a great challenge to alliance management.

Lorenzana publicly stated the fears and worries held by a large portion of the policymaking sector in the Philippines: that the United States will not defend its ally in the event of an attack in Philippine-claimed areas in the South China Sea, particularly the Kalayaan Island Group. Despite being a former colony, commonwealth, and current ally of the United States, the Philippines has not received any concrete assurances from Washington on

This article first appeared in the Asia Pacific Bulletin No. 453, of the East West Center. February 6, 2019.

its territorial claims in the South China Sea, and it does not see the freedom of navigation operations of FONOPS as a serious strategy in deterring Chinese ambitions for regional primacy. Currently, under the Mutual Defense Treaty, the allies will act to meet the common danger if either party suffers an armed attack on a) its metropolitan territory, b) the island territories under its jurisdiction in the Pacific area, and c) its armed forces, public vessels, or aircraft in the Pacific area. However, it is not clear if the South China Sea is included in the 'Pacific area' under the Treaty, or if the disputed islands in the South China Sea are considered island territories of the Philippines. To be fair to U.S. policymakers, this ambiguity allows them to stay clear of any potential adventurism on the part of allies, hence avoiding entanglement in disputes or even war where its interests are seen to be limited.

Despite these fundamental issues at play in the alliance, if 2018 is an indication, the Philippines-U.S. alliance in 2019 will not be without its successes and high-points too. The high-point is the return of the bells of Balangiga, which has been positively received in the Philippines, and is a big indication of the ability of the United States to concede on non-strategic issues. Earlier in 2018, Executive Secretary Salvador Medialdea led a high-level delegation to Hawaii for a meeting with the then-named Pacific Command to discuss critical bilateral and regional developments.² In the Philippines' campaign against terrorism, the United States is the Philippines' leading partner, providing at least \$70 million in assistance in the form of "drones, rubber boats, pistols, grenade launchers and surveillance aircraft". In 2019, the Armed Forces of the Philippines (AFP) will also be receiving 4 OV-10B planes from the U.S.³ The allied countries will also engage in 281 security cooperation activities in 2019.⁴

The alliance management between the two sides can be considered effective as they have been able to maintain strong military ties despite the political noise coming from elected officials. Adroit diplomacy and strong military-to-military ties allow both sides to make the most out of a difficult political environment. To date, the United States has been among the strongest supporters of the Philippines in rebuilding conflict-torn Marawi, and in improving the capability of the AFP, and there is no

clear indication that the Philippines has moved away from the U.S. sphere of influence.

What is lacking in the alliance is overall strategic direction. While the United States is pursuing its strategy of ensuring a free and open Indo-Pacific and building the Quad (United States, Japan, Australia, and India), the Philippines remains agnostic on the issue. To date, the response from the Philippines has been muted. The Philippines, however, has good strategic relations with both Japan and Australia, alongside its alliance with the United States. Moreover, the Philippines is as President Trump called it, a 'prime' piece of real estate, a fact not lost to serious strategic thinkers in all three countries. The Philippines, however, has been slow in capitalizing on this, and its handling of relations with the United States has always focused on the emotional side. Lorenzana's demand for a review of the mutual defense treaty should be a call for the Philippines to seriously consider its overall strategic relations with Washington.

A review of the Mutual Defense Treaty should be premised on cautious soul-searching on the part of the Philippines. Rather than fixate on the treaty, the two sides must carefully assess the overall state of the alliance. On the strategic side, the United States and the Philippines should deeply consider whether their overall strategies still align. Among others, the Philippines needs to consider whether it has a place in the Free and Open Indo-Pacific that the United States is advocating for and what its role will be.

The 2+2 or regular meeting of the Foreign Affairs/State Department and DND/DOD should be revived to manage the alliance. The Bilateral Strategic Dialogues (BSD) should also be maintained as this mechanism allows for in-depth discussion of a "full range of political, security, and economic cooperation between the United States and the Philippines." The last BSD was hosted by the United States on December 2017 and the Philippines was supposed to host the 2018 meeting, but the meeting never occurred.

The return of the Balangiga Bells shows that the allies are able to work together to resolve a long-standing issues.⁵ Both sides must find the wisdom to see whether an alliance that succeeded a colonial relationship, post-World War II will still work in the evolving strategic environment.

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The Balangiga Bells and the Philippines-U.S. Alliance

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In his speech marking the return of the Balangiga bells, United States defense secretary, Jim Mattis emphasized the need to deepen the “respect” between the two allies, the Philippines and the United States. Seen as either war booty or as relics of a bloody period, the return of the bells mark an end to a heavily disputed period between the allied countries. President Rodrigo Duterte of the Philippines has used the bells to needle the Americans, going even so far as asking for their return in his State of the Nation Address in 2017.¹

Under Duterte’s presidency, the Philippines maintains a two-tier approach to the alliance. The president is free to annoy or lambast the U.S. while his diplomats and generals maintain the military and other security aspects of the relationship. For instance, his own national security policy recognizes the U.S. presence in the region as a “stabilizing force” and emphasizes its critical role as the Philippines “sole defense treaty ally.”²

Two critical areas where the alliance will probably be maximized, albeit in a low-key manner, are internal security operations, and the Armed Forces of the Philippines’ modernization program. The Philippines’ national

This article first appeared at the Philippine Star, December 19, 2018.

security apparatus has refocused its priorities by ranking internal security as its primary goal. Terrorism, insurgency, subversion, transnational crimes, criminality and illegal drugs abetted by graft and corruption rank above the West Philippine Sea in terms of strategic consideration.

Duterte has already requested the Congress to extend martial law in Mindanao, which has been generally welcomed in that island, but reviled in Manila and other parts of the country. The U.S. has been active in helping rebuild Marawi and so far has given US\$ 60.5 million for community development projects to respond to economic, social, health, and education needs of the local communities in the affected area.³ It is in the U.S. interest to help the Philippines stem terrorism and violent extremism in Mindanao and programs designed to prevent violent extremism will be useful to both governments.

The AFP's military modernization recently earned a big push with the decision to purchase Black Hawks for utility helicopters.⁴ This is a major win for the U.S. as this shows that the Philippines will not cross the line on U.S. sanctions on Russia, which was ready to sell Mi-171s at a cheaper price. Doing so would have incurred repercussions from the Americans, and defense decision-makers were prudent enough to take this into consideration.

Nevertheless, the U.S. would need to be more careful in how it presents its assistance in the AFP's modernization program; in August, Duterte criticized his country's ally, noting that while it offers its assistance, there is no assurance that the Philippines will get any weapons that it wants to purchase as an earlier attempt to do so were suspended following criticisms from members of the U.S. Senate.

While low in alliance priorities now, the West Philippine Sea will remain to be the bigger issue between the allies. The U.S. still refuses to clarify whether it will protect Philippine-occupied features in the area in case of attack.⁵ Still, clarity on U.S. commitment would help mollify certain sectors of the Philippine government, which have been ill at ease with Washington's ambivalent attitude on the issue.

Contrary to any notion that the Philippines left the U.S. camp, the past two and a half years have shown that it will take more than a president to remove the former from the latter's sphere of influence. Continuous lobbying from the Philippines, boosted in part by its president's refusal to back down from publicly calling out the U.S. on historical and other policy grievances, has resulted in the return of the bells of Balangiga. Should the U.S. continue to be understanding of its ally's unorthodox approach to alliance management, it will satisfy the Philippines' approach of working "closely with the U.S. on a number of significant security and economic issues."

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Learning to Make Cities Smarter: Lessons from China for the Philippines

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The world's cities are getting smarter. The dual trends of steady urbanization and digitization have changed the way major cities are being governed and managed. Such trends are embodied in the concept of the “smart city,” a model of using information technology in managing ever-growing urban environments across the globe.

The Philippines definitely has intentions of following this trend. Some of the major plans for smart cities include the “City of Pearl” (407 hectares) in Manila, Clark Green City (9450 Hectares) in Tarlac, and Quezon City, with city hall announcing their plans after hosting the 2018 Smart City summit. Whether these plans can solve the problems of Philippine cities remains to be a valid debate.

At a glance, the Philippines may seem ripe for the integration of smart cities. Filipino society has indeed become significantly digitized with Filipinos comprising a huge portion of social media users around the world

and one of the largest app markets in Southeast Asia.¹ However, the Philippines also has among the slowest internet speeds² in the region and among the worst urban planning in the world with regular traffic jams in major roads. Though the Philippines has a potential market demand for smart cities, the country lacks digital as well as physical infrastructure to supply the promised benefits of a smart city.

Much like the Philippines, China has a steady urbanization rate, a thriving app market and active social media presence (800 million). In contrast to the Philippines, the Chinese government managed to deploy many large scale smart city projects, numbering at around 300 plans in 2013. As of 2018, that number had jumped to 500 projects, making China the world's leader in smart city construction.³

Here are Some Exemplary Cases of China's Smart Cities:

Green Technology- China is currently building 285 smart eco-cities as a means of promoting sustainable urban living.⁴ Among the flagship projects is the Sino-Singaporean Tianjin Eco-City (SSCTEC). The project is a partnership with the Singaporean government and features a hub for green technology, green residential buildings and electronic driverless cars.

Tourism- Dunhuang city complements its scenic showcases of ancient China with smart tourism mechanisms. In cooperation with Huawei, Dunhuang City features technologies such as QR codes quick ticket booking, wireless sensors and facial recognition surveillance systems for protecting historical spots and full wi-fi coverage in high tourist traffic areas.⁵

Transportation- Shanghai City is a leading site of "smart transportation." Shanghai, in cooperation with tech giant, Baidu, uses a "Citizen Cloud" mobile app for different government services such as driver's license information, healthcare records, and parking space locations. Another more recent example is the new fleet of artificial intelligence (AI) tour buses which features wireless multilingual tour guides.

What can the Philippines Learn from China's Experience?

While not perfect, China's experience can still provide important lessons for the Philippines in smart city development.

1. Coordination between government and Tech industry- The Chinese government has close relations with its top technological corporations, namely Baidu, Tencent, and Alibaba.⁶ Though controversial, this relationship has provided the tech industry some advantages in growing prominently both in the domestic and global markets. These tech giants are directly involved in many of the smart city projects under construction. The Philippine tech industry is dominated by foreign companies and would benefit if the government would incubate domestic tech companies.⁷
2. Political prioritization- While the Duterte administration focuses on infrastructure development through his "Build, Build, Build" program, it neglects the technological aspect of smart cities. During his address at the 19th People's Congress, President Xi Jinping included the construction of a smart society as a new means of development.⁸ His flagship megaproject embodying the smart city model in a large scale is Xiongan, an underdeveloped area near Beijing.
3. Government control of land economy- Even after China's long period of reform and "opening up," the urban land economy remains under the complete control of the government.⁹ This monopoly of power allows them full discretion over land use, development and urban planning for the purposes of smart cities. In contrast, many of the Philippines' major urban developments are either fully privatized or government joint ventures predominantly privatized such as Bonifacio Global City and the aforementioned Clark Green City. While the abundance of private development may be an indicator of a strong economy, large development projects require some level of regulation for developers to adhere to the plan.

4. Engagement with the local government- As discussed in the previous section, smart city development in China is highly specialized for specific purposes. This is due to the unique structure of the Chinese government.¹⁰ While the political power of agenda-setting is centralized to the national government, financial and administrative powers are decentralized, allowing local governments to implement projects and consolidate funds flexibly according to local needs and contexts. The Philippine government structure is fragmented and decentralized in both administrative and political aspects, making coordinating and streamlining national projects more difficult.¹¹

In summary, the future of smart cities rests on addressing the problem at the heart of all urban development in the Philippines: the need for increased government involvement and political will in smart city development. The private developers definitely have ample resources and the expertise that the government lacks to construct smart cities. However, it is still necessary for the government to regulate and hold developers accountable in fulfillment of development plans. An important start is finding the proper balance between engagement and regulation in the partnerships with urban developers.

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Enhancing Counterterrorism Cooperation Through Transnational Communities

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Despite the extensive counter-terrorism efforts invested by states in the region, terrorism continues to be a key national security threat among states in the Indo-Pacific region. During the earlier part of the century, terrorist organizations such as Al Qaeda and Jemaah Islamiyah were able to develop complex networks and systematically execute attacks across multiple states across the Indo-Pacific.¹ While the operational capabilities of these organizations are now degraded, a resurgence of violent extremism in the region inspired by the Islamic State of Iraq and Levant (ISIL) calls for a re-evaluated strategy that recognizes the distinctive nature and tactics of ISIL.² Cooperation between states is therefore central to understanding the threat and developing a strategy to mitigate militant extremism in the region.³

In this context, this commentary explores the role of transnational communities in strengthening counter-terrorism cooperation.⁴ It argues that transnational communities, particularly track 1.5 diplomacy and higher education, can enhance counter-terrorism cooperation between Australia

This commentary is a section from Charmaine Misalucha-Willoughby and Francis Domingo, *Enhancing Australia-Philippine Cooperation: Diversifying Strategic Options* (Makati, Philippines, Albert Del Rosario Institute of Strategic and International Studies, 2019).

and the Philippines. The first section surveys the existing counter-terrorism initiatives of Australia and the Philippines and the second section discusses the potential contributions of transnational communities in boosting counter-terrorism cooperation between these two states.

Terrorism is an enduring national security issue that affects Australia's strategic environment. While there have been no major terrorist incidents in Australia during the last three decades, the state has enhanced its counter-terrorism efforts following the 9/11 terrorist attacks against its major ally, the United States of America. Australia's counter-terrorism strategy was first documented in the 2004 Terrorism White Paper (threats from transnational groups) and the 2010 Counter Terrorism White Paper (threats from local terrorist cells).⁵ A more detailed approach outlined in *Australia's Counter-Terrorism Strategy* was reiterated in 2015 in response to strong indications of an imminent terrorist attack against the Australian homeland in September 2014.⁶ The strategy presents four interconnected measures to address terrorism, with a focus on "prevention as a first line of defense against terrorism."⁷

The strategy's first measure is disputing violent extremist ideologies by encouraging communities (family and friends) and local organizations (non-government organizations) to disseminate their own messages that challenge violent extremist ideologies.⁸ This requires investing resources to systematically empower communities and local organizations to utilize different forms of communications to share their thoughts on extremist ideas and undermine offline and online propaganda. The second measure is preventing people from becoming terrorists by addressing the drivers of radicalization and helping individuals at-risk. Tackling the drivers of radicalization involves improving social cohesion through initiatives such as education, providing job opportunities, and workplace diversity.⁹

Assisting vulnerable individuals requires supporting community organizations that cater to where these individuals live through financial grants, resources, and training.¹⁰ The third measure is shaping the global environment by sharing information with partner states and helping regional partners build capacity. Information sharing is predominantly undertaken

with the state's traditional partners (Canada, New Zealand, the United Kingdom, and the USA) with the objective of disrupting terrorist financing, movements, and networks.¹¹ In terms of capacity building, the state works with regional partners such as Indonesia to reinforce counter-terrorism laws, upgrade law enforcement skills, enable the use of networked technologies to counter-terrorism activities, and develop a response and recovery capabilities.¹²

The fourth measure is disrupting terrorist activity within Australia by using the options prescribed by the state's counter-terrorism legislation.¹³ For instance, a first option is to warn suspected individuals that their activities are being monitored to discourage them from engaging in suspicious activities. More drastic options include the use of control orders issued by a court to impose restrictions on the behavior of individuals suspected of terrorist involvement, as well as preventive detention orders that allow the police to detain individuals when there is a threat of imminent terrorist attack.¹⁴ The fifth and last measure is to enhance the capacity for effective response and recovery. This requires that government agencies be in a strong position to respond to a wide range of terrorist incidents and to coordinate recovery efforts to help citizens within and outside Australia. Domestic initiatives include working closely with key service providers to enforce standards for counter-terrorism measures, monitoring compliance, and ensuring that systems and infrastructures are resilient during terrorist attacks. Overseas initiatives involve strengthening consular assistance to victims and their families as well as closely coordinating with authorities of the state where terrorist attacks were executed.¹⁵

Terrorism is a prevalent phenomenon that continues to shape the national security priorities of the Philippines.¹⁶ Even before the 9/11 terrorist attacks against the U.S., the Philippines was already a target of several significant terrorist attacks.¹⁷ Despite this, the Philippines does not have a dedicated strategy to counter terrorist activities and prior to 2011, the counter-terrorism initiatives of the state were only discussed in classified documents. The Philippines' broad approach to counter-terrorism can be extracted from several government documents including the *National Security Policy 2011-2016*, the *National Security Policy 2016-2022*

and more recently the *National Security Strategy 2018*.¹⁸ The *National Security Strategy 2018* is instructive for this paper because it presents five “strategic actions” that the government intends to implement to counter violent extremism.¹⁹

The first strategic action is to modernize the Armed Forces of the Philippines and develop synergy with the Philippine National Police. Upgrading the capabilities of both the military and the police is a fundamental task that has been long overdue for the Philippines. Previous studies have discussed the various challenges that relate to the modernization of the military and the police, but the principal reason for the delay is the gap between the national security priorities of the government and the existing internal and external conditions that affect the state’s national security.²⁰ In this sense, the key concern is whether succeeding governments will continue the modernization efforts implemented by the previous and current governments.

The second strategic action is to disrupt the process of radicalization through information operations and education. This requires a coordinated government approach to strategic communications across all government agencies as well as a deeper understanding of terrorist propaganda and messaging through specialized training such as counter-terrorism strategic communications.²¹ The third strategic action is to reinforce security in future and existing infrastructure projects to prevent militant groups from sabotaging these projects. A key task associated with this action is to assign government forces as well as private security, to defend infrastructure from militant organizations such as the Communist Party of the Philippines-New Peoples Army that destroy cell sites if “revolutionary taxes” are not paid to sustain their operations.²² Another task is to work closely with private companies that manage critical infrastructures – electricity, water, telecommunications, and health services – to facilitate a more comprehensive response to the disruptive actions of militant groups. The fourth and most prominent strategic action prescribed in the *National Security Strategy 2018* is the strengthening of mechanisms for pursuing and maintaining peace with militant groups. This entails the enactment of several initiatives, including implementing the peace agreement with the Moro Islamic Liberation Front,

boosting the capacity of peace and development institutions such as the Office of the Presidential Adviser on the Peace Process, addressing the grievances of indigenous peoples and farmers, and ensuring the delivery and monitoring of socioeconomic programs around the Philippines.²³

A survey of the counter-terrorism strategies of both states reveals a shared interest in preventing terrorist activities by disrupting the process of radicalization. Since law enforcement operations are insufficient in addressing the spread of radical ideas, states acknowledge the need to develop calibrated strategies to counter terrorist propaganda and recruitment. This situation likewise reveals that despite the high level of threat that terrorism poses, coalitions that are critical in addressing the issue are largely disconnected and incohesive. Hence, while both Australia and the Philippines are taking steps in sharing their respective approaches to challenging radicalization, there is an opportunity for transnational communities to contribute to deepening counter-terrorism cooperation through Track 1.5 diplomacy and higher education.²⁴

Track 1.5 diplomacy between think tanks and government is a vital strategy for enriching the discussion about counter terrorist propaganda and recruitment because think tanks can propose new ideas about addressing the sources of radicalization since they have access to expertise and are not necessarily constrained by government policies. Through these exchanges, decision-makers are given more options to consider when developing strategies and policies related to counter-terrorism. A prominent example that illustrates this point is the series of discussions and workshops under the aegis of the Albert del Rosario Institute of Strategic and International Studies and the Asia Pacific Pathways to Progress Foundation, Inc., which brings together not only members of academia, but also key policymakers, government policy analysts, and executives from the private sector.

Another potential opportunity for transnational communities is deepening the understanding of decision-makers through a more rigorous and systematic training in terrorism studies offered by colleges and universities in Australian and the Philippines. While the study of terrorism

and political violence is a typical standalone subject in Australian Federal Police College and Australian Defense College, it is not clear if public and private higher education institutions in the Philippines have integrated this crucial subject in their respective curricula. In this regard, there are two ways the Philippine Government can strengthen its cooperation with Australia through higher education.

The first is to consider Australian universities and colleges as a priority destination for graduate education in the area terrorism and counterterrorism. Graduate training in Australia can be beneficial because it can challenge prevailing counterterrorism strategies by exposing law enforcement and military personnel to alternative approaches that are based on strategies implemented in Europe and the USA.²⁵ Susceptibility to new ideas is crucial to developing progressive and research-oriented approaches to countering terrorist activities. The second is learning from Australian higher education programs. Graduate courses that focus on terrorism and counterterrorism in Australia are offered by universities and colleges that are often linked with government agencies to reinforce the significance of policy-relevance and real-world experience.²⁶

In the case of the Philippines, cooperation between higher education and government training institutions not as progressive. Major government training institutions such as the National Defense College of the Philippines and the Philippine Public Safety College do not have sustained institutional partnerships with leading higher educational institutions and more importantly, do not offer dedicated courses on terrorism and counterterrorism. Learning from and adapting to selected practices of Australian higher education and government training institution are therefore advantageous for developing specialized graduate programs focus on terrorism and counterterrorism.

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ASEAN's Regional Connectivity: External Partner Engagement Exposing Internal Governance Constraints

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It has now been a little more than two years since the ASEAN Master Plan on Connectivity 2025 was introduced. It seemed that, following years of calls for increased investment, ASEAN as an organization has recognized the need for regional infrastructure to enable closer economic and social linkages between the member states. The current plan, an update over the 2011 version, has a firm footing in global connectivity trends and a more focused agenda. Compared to the first plan, which had a bit of a wish-list character, the current connectivity plan has been well-received, particularly by ASEAN's external partners.

But in spite of this, ASEAN has found it increasingly difficult to perpetuate its regional connectivity vision in the face of competing strategies by external partners.¹ Since the launch of the first Connectivity Master Plan in 2011, there has been a flurry of connectivity meetings, forums, strategic plans and commitments, by a variety of dialogue partners and international organizations. The most significant of these are clearly the Chinese Belt and Road Initiative as well as Japanese connectivity support

to the region under various guises, most recently under the umbrella of the Free and Open Indo-Pacific Strategy. Activities by the Republic of Korea, the United States, Australia, India, and the European Union contribute to what increasingly appears to be a new geoeconomic battlefield.

What is so special about these external partner conflicts regarding the future of the region? After all, Southeast Asia has always been at the center of great power rivalries. The key difference in connectivity compared to the political and security sector is that there is less slack for national governments to deviate from the regional strategy to pursue purely self-interested goals without jeopardizing the regional strategy. Connectivity, in principle, can only be attained if countries act in tandem. A road built to nowhere will not contribute to better trade or travel between two countries. The opportunity costs of misguided connectivity implementation at the national level result in larger regional repercussions than in other policy areas.

The different quality of connectivity governance is highlighting how persistent difficulties to create regional-national coherence within ASEAN are jeopardizing the execution of regional strategies. The lack of regional-national coherence within ASEAN creates a challenge for the organization at two fronts: 1. Regionally, through the contestation of the ASEAN regional connectivity vision by external partners, and 2. Nationally, through the implementation of competitive rather than complementary connectivity projects by external partners. Resolving these two pressure points will require ASEAN to back up its regional connectivity vision with effective regional governance mechanisms.

How did the two pressure points emerge? The heart of the matter is how ASEAN governs regional connectivity: The organization has created the Connectivity Coordination Council tasked with supervising the connectivity agenda, which is being assisted by the Connectivity Division within the ASEAN Secretariat. While the intergovernmental council consists of the same member state representatives that supervise all decision-making in Jakarta, the Connectivity Division has been endowed with an unprecedented mandate to prepare projects, engage with partners and facilitate integration of the connectivity agenda throughout ASEAN's innumerable sectoral bodies.

But regardless of the governance innovations in connectivity, ASEAN remains path-dependent. It is up to the sectoral bodies to address the issues of the connectivity agenda in their respective meetings. The sectoral bodies are groups of government experts, which are tasked with agreeing on regional priorities in specific policy areas, such as logistics, infrastructure, or customs, meeting once or twice a year. These bodies are at the forefront of ASEAN decision-making and are the key actors tasked with addressing the objectives of all ASEAN strategic plans. They are not accountable to anyone apart from their national executives and decide on their own activities and reporting procedures. Despite ambitions to spread connectivity priorities throughout ASEAN, there is scant evidence that the connectivity agenda has been taken up by these bodies as a priority. The consequences of this is the first pressure point: Weak execution of the connectivity master plan empowers alternative plans by other external partner, which execute their connectivity visions more coherently.

Furthermore, it is unclear to which degree the regional connectivity agenda has been taken up by ASEAN's governments. Despite rhetorical commitments made to regional connectivity by heads of state, most recently by the incoming Thai ASEAN Chair², ASEAN countries are mainly going at it alone. This is due to the source of funds for connectivity projects. Despite the setting up of the ASEAN Infrastructure Fund with the Asian Development Bank in 2011, most connectivity-related projects are funded either by international financial institutions, national development banks, or by national governments such as China and Japan and their development agencies or other financing schemes. This is to be expected given the daunting costs of Asian infrastructure needs, which could hardly be borne by any single actor.³

But many national-level projects are jeopardizing regional connectivity progress. Belt and Road Initiative projects are not always contributing to ASEAN connectivity, often being more linked with Chinese value chains, development objectives, institutions and companies. Projects like the port of Kyaukpyu, Myanmar, or Koh Kong, Cambodia, are not obviously improving regional connectivity, lacking profitability and transparency and are otherwise notable for a strong presence of the Chinese Communist

Party on the ground.⁴ The Melaka Gateway harbor in Malaysia is also distinguished by its unprofitability but is also a clear countermove against Singapore's successful shipping infrastructure. These issues extend beyond port projects. Investment in Lao hydropower projects is creating negative externalities in the other Mekong states. The problem is not limited to China. Japan, while generally seen as more in line with the regional connectivity vision, is also openly pursuing linkages supportive of Japanese firms and interests. Similar arguments can be made for other states involved in connectivity financing, such as the EU or the U.S.. This is the second pressure point that ASEAN is facing in executing its connectivity agenda.

ASEAN appears to deal with these competing interests like it has in the past: By hedging against unilateral exertion of power by one single actor. Recent moves by the EU and the U.S. to engage more deeply in the financing of infrastructure and other connectivity projects will be welcomed by ASEAN member states because they make it easier to execute a hedging strategy. But this will only provide a temporary solution to ASEAN's connectivity challenges. In the long run, ASEAN states must be able to coherently articulate their connectivity strategy not just at regional summits, but also in their national development strategies as well as in their relations with individual partners.

In the ideal case, ASEAN member states should reject connectivity projects that promote alternative visions of connectivity (whether they be Chinese, Japanese, or European) at the expense of ASEAN's connectivity vision. But this is unlikely. Most ASEAN states are under intense pressure to deliver national development and bridge infrastructure gaps as quickly as possible. There appears to be no national policy space for lofty regional goals at this point. That's why regional governance mechanisms must be empowered even further to ensure that the regional connectivity vision remains front and center. International financial institutions may help in doing this; the World Bank, for example, is already engaged with the Connectivity Division. But more ASEAN-led coordination is needed. For starters, the ASEAN Infrastructure Fund, to which US\$450 million had been committed in 2011, should be used more, beyond the ten projects that have been financed since its inception.

The hard truth is that regardless of partner declarations, nobody will ever care as much about ASEAN connectivity as ASEAN states themselves. It is therefore up to ASEAN member states to ensure the success of the connectivity master plan and set the stage for a successful connectivity within the region.

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Established in 2014, Asia Pacific Pathways to Progress Foundation, Inc. (APPF) 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

APPF'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.

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