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Issue Brief

The China-Philippines Ties After the Hague's Verdict

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November 09, 2016

Introduction

China's has thorny ties with some of its East Asian neighbours because of the overlapping historical claims over a number of islands in the South China Sea. The Philippines does not border with China directly, but the island's Cebu Port is only 1,600 km from Shanghai. Both countries contest over Scarborough Shoal (Huangyan Island in China), a small island in the South China Sea. The Philippines claimed that China has illegally seized control of the Scarborough Shoal in 2012 after a lengthy standoff. This created a fissure between the two countries.

Arbitration

The Philippines attempted to use the right to the Exclusive Economic Zone (EEZ) granted to all States to use sea resources up to 350 nautical miles under the United Nations Convention on the Law of the Sea (UNCLOS) of 1982. China refuted any such claim and emphasised on its historic rights since ancient times in conformity with its own demarcation principle of the Nine-Dash-Line in the South China Sea. China's found the Philippines case as somewhat unilateral.¹ From the very beginning, China did not accept arbitration and filling of the case.

The Philippines Government filed a case in the Permanent Court of Arbitration at the Hague, Netherlands, on 22 January 2013 against China. After a 53 months-long hearing, the Court passed the judgement on 12 July 2016 in favour of the Philippines' petition.² The ruling has legal bearings and the position of the respective countries and their supporters needs also to be looked upon, which presented a critical posture.

Besides the Philippines, a handful of countries (namely; Australian Canada, Japan, New Zealand, United States, and Vietnam) called the ruling to be respected and implemented. Besides China, Montenegro, Pakistan, Russia, Sudan, Taiwan, and Vanuatu also out rightly opposed the ruling. A group of 33

¹ Zheng Hailin, "International Law Analysis of the South China Sea Arbitration Case", *Pacific Journal*, vol. 24, no. 8 (25 August 2016),

² See for details Permanent Court of Arbitration, *PCA Case Repository*, Beta v2. <http://www.pcacases.com/web/view/7>

countries found the ruling positive but did not call for its compliance.³ The tribunal ruling was not subject to enforcement and Beijing decided to ignore it.⁴

Implications

The impact of the ruling should be seen in the context of the Philippines relations with China. It is yet interesting to note that the ruling did not further detach the two countries. Conversely, the detachment could be seen in the Philippines' all-weather friendship with the United States and Japan as President Rodrigo Duterte decided to visit Beijing on 18-21 October 2016, signalling a significant shift in his country's policy toward the US and Japan, who had been in alliance with the Philippines for pushing their pivot to Asia-Pacific since 2011.

Duterte's domestic politics and his taste for foreign policy also largely matter in mending and warming up his country's ties with China. He hailed from Mindanao, south of the Philippines, where the United States maintains troops and where there is a Muslim insurgency. He is known as effective and decisive President in the history of the Philippines. He is open, frank, and blunt. He is smashing drug-traffickers and criminals and criticised the United States for obstructing his anti-drug and anti-criminal campaign. He is launching crusade against, crimes, militancy and corruption. The situation has much improved. His approval rating has gone beyond 91 per cent, making him the most popular leader in the Philippines.⁵

In foreign policy, he appeared to be a man of great reconciliation in relation with China and reviewing ties with the United States. He was sworn in as the 16th President just twelve days before the tribunal passed the verdict in the favour of the Philippines. Instead of taking the tribunal's verdict as credit, he decided to reconcile the dispute with China, which displeased the United States and its allies. He told reporters in Beijing "I will not go to America any more. We will just be insulted there... America has lost".⁶

The visit to Beijing is itself a major milestone achieved in the Sino-Philippines ties to mend relations, expand trade and economic relations and to evolve a good diplomatic front. The row over the

³ Asia Maritime Transparency Initiative. <https://amti.csis.org/arbitration-support-tracker/>

⁴ See Gary Sands, "It's Time to Ignore China's Nine-Dash Line", *The National Interest* (Washington) 21 July 2016.

⁵ Veronica Pulumbarit, "Pulse Asia survey: Duterte gets 91% trust rating, Robredo 62%" *GMA News Online*, 20 July 2016. <http://www.gmanetwork.com/news/story/574398/news/nation/pulse-asia-survey-duterte-gets-91-trust-rating-robredo-62>

⁶ Ben Blanchard, "Duterte aligns Philippines with China, says US has lost", *Reuters*, 20 October 2016. <http://www.reuters.com/article/us-china-philippines-idUSKCN12K0AS>

Scarborough island did not constitute a focal point of Duterte's parleys with his Chinese counterpart Xi Jinping. Duterte said in Beijing that "there is no sense in going to war ... over a body of water."⁷ They agreed that the Scarborough is not the sum total of the expanding bilateral relations between the two countries. Both would seek this settlement through a mutual consultation. They discussed other maritime affairs for expanding mutual collaboration.

Conclusion

The China-Philippines reconciliation has opened up a new chapter in the South China Sea. It is a debacle for the US pivot to Asia. Washington has missed out the opportunity in Manila as its strategic ally and source of US military base in the region. A new re-grouping of like-minded countries is also taking place. A much more stronger military coalition is expected to emerge in the South China Sea comprising China, the Philippines, and Russia, and challenging the US pivot in Asia-Pacific.

⁷ Carrie Gracie, Duterte in China: Philippine leader turns conciliator-in-chief?", *BBC* (London), 18 October 2016. <http://www.bbc.com/news/world-asia-37681560>