China’s Flexibility in the South China Sea: China’s Relations with the Philippines since Duterte
Christopher B. Primiano and May Tan-Mullins

Abstract

In this article, we focus on the South China Sea (SCS) conflict and assess China’s foreign policy towards the Philippines since Rodrigo Duterte became president in September 2016. Since taking office, Duterte has improved bilateral relations with Beijing significantly from his predecessor. Using an international relations (IR) framework, we focus on how this was possible from China’s perspective. This article is driven by the main research question: why has China shifted course on a stated core interest regarding the SCS in conducting diplomatic relations with Philippines? In the course of answering this question, we will specifically assess (1) China’s preference for bilateral approaches toward foreign policy, (2) China’s definition on ‘core interests’ and Xi’s flexibility in his diplomacy approach, and (3) how IR theories such as constructivism, realism and neo-liberalism help to deconstruct the drivers of China’s foreign policy.

Key words: China, Philippines, foreign policy, Duterte, South China Sea (SCS) conflicts

1. Introduction

China’s actions in the South China Sea (SCS) have received significant attention in recent years. Numerous scholars¹ have argued that since the financial crisis of 2008, China has become more assertive in the SCS, especially with the more recent building of artificial islands

¹ E.g. Hughes 2011; Zhao 2013; Callahan 2012; Yahuda 2013
for the ostensible purpose of projecting military force. Using the nine dotted map as a basis of claim, China has stated repeatedly that the entire SCS is a core interest of the Chinese government and in many instances refused to stand down regarding claims in the regional sea.

This was exemplified by its position against the 2016 ruling of the International Tribunal at The Hague regarding China’s claims to the SCS, when the Tribunal ruled in favor of the Philippines. This has created a huge diplomatic row between China and the Philippines, and trade and investment between China and the Philippines suffered as a result. However, shortly after Rodrigo Duterte became President of the Philippines in September 2016, he was able to achieve something that the International Tribunal was not able to, that is, having China allow his country access to the Scarborough Shoal. With Duterte, there has been a fundamental shift in the diplomatic relations between China and Philippines. In particular, there has been unprecedented accommodation of Filipino requests by the Chinese government, as epitomized by allowing Filipino fishers to access the contested area. Such actions by the Chinese government are counter to what one would expect regarding China’s actions on a stated core interest from a calculated, rational actor. In contrast to other stated core interests, such as Taiwan, Tibet, and Xinjiang, the Chinese government has demonstrated flexibility in this case. As such, we need to assess the drivers for Chinese actions and its definition of ‘core interest’ in this context.

In this article, we assess the drivers for such a dramatic change in the bilateral relationship between the Philippines and China from China’s perspective. We focus on China to unpack some of the underlying drivers for Chinese actions in the SCS, which is rather limited in current scholarship. Framing the gains and losses for China and the Philippines in the SCS
conflict, we assess which variables and associated IR theories best apply to China’s actions in this case study. The findings from this article will contribute to the current literature on China’s position regarding bilateralism versus multilateralism, its view of international organizations, geopolitical events in the region, and its definition of ‘core interests.’

There are four sections following this introduction. We will first illustrate our research design and provide background information on both China’s stated core interests and the topic of Chinese assertiveness to contextualize the issues. In section three, we will trace and examine how the bilateral relationship between China and Philippines has evolved from the Aquino administration in 2012 to the present. In doing so, we will analyze the historical relations in three stages to tease out the evolving foreign policy between the different leaders and periods: (1) Aquino presidency (2) Sept 2016- March 2017 and (3) mid-March 2017. We will analyze these fluctuating relations through the variables and gains and losses for each country. Section four then evaluates the variables in the framework of IR theories and investigates the applicability or lack thereof to this case. We finish with a conclusion summing up the main points.

2. Research Design and Background

This article is driven by a puzzle, that is, why has China shifted course on a stated core interest regarding the SCS in conducting diplomatic relations with the Philippines? We find it is useful to begin by exploring what the term ‘core interests’ means in the Chinese context. In Chinese foreign policy, the term core interest was first used regarding Taiwan, as China views
Taiwan as essential for China remaining one country and not losing territory. In 2006, the term was then applied to both Tibet and Xinjiang. Prior to around 2011, the term was basically used for those three previously mentioned areas of paramount sensitivity and sovereignty for the Chinese government—Taiwan, Tibet, and Xinjiang. Now, the Chinese government uses the term core interests to signal to other states that certain issues—for example 1) the CCP must remain in power; 2) sovereignty and territory must be protected; and 3) developing the economy—are non-negotiable from Beijing’s point of view. In other words, those given issues are perceived as posing an existential threat to the CCP. In reflecting how the Chinese government has broadened the term, the South China Sea is now a core interest. Because the current Chinese definition of what constitutes an example of a core interest has evolved and broadened in recent years as China has ascended, this leaves the implications of China’s intentions and actions unclear.

Regarding China’s stated core interests, there are negotiable and non-negotiable core interests. We found that any threats to the legitimacy of the CCP rule, energy security, which is part of national security, and territoriality and sovereignty are non-negotiable core interests. For example, human rights is regarded as a non-negotiable core interest, as it will threaten the legitimacy of the CCP rule. Similarly, if the Philippines were to explore for oil in the SCS, then it will be non-negotiable core interests as oil, or energy security in general, is essential for China’s

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3 Wong, 2015.
4 Wong, 2015.
5 Wong, 2015.
6 Wong, 2015.
7 Wong, 2015.
economic development and thus a top non-negotiable core interest. Chinese willingness to become more assertive in the context of non-negotiable core interests has also given rise to scholars indicating the shift in Chinese foreign policy from consensus building and peaceful rise to increasing assertiveness, which we will turn to.

*Chinese assertiveness*

Numerous scholars (Hughes 2011; Zhao 2013; Callahan 2012; Yahuda 2013; Buzan and Cox 2013) have argued that in recent years, usually starting in 2008, there has been a turning point in Chinese foreign policy, pivoting toward a more assertive, or even aggressive, direction.\(^8\) Yahuda (2013) argues the main reason for such a change was that in 2008 the Chinese government viewed US power as descending and Chinese power as ascending, and thus China embraced a more assertive stance in the SCS. According to Hughes, as a result of such Chinese assertiveness, US relations with China’s neighboring countries, such as Japan, South Korea, and Vietnam, have improved (Hughes 2011).

Zhao (2013) argues that since 2008, especially with the financial crisis, the Chinese government has been accommodating the intense Chinese nationalism of non-state actors in its foreign policy, which the Chinese government had previously sought to limit. On this topic of nationalism, it is important to examine the role that it may play regarding our focus on how Xi handles the Shoal and relations with the Philippines. Such intense Chinese nationalism has the power to pressure the Chinese government to take an aggressive stance with other states, as

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\(^8\) Callahan, however, argues that such assertiveness started in 2005 with Hu Jintao’s “Harmonious World” speech at the UN, which presented the idea as a novelty in international relations (2012: 617).
the Chinese government ought to appear to be advancing China’s interests with other states. However, if such states are presented as being respectful to China, as we argue in this article, then that has a tendency to pacify the intense nationalist calls for being aggressive with other states.

With the definition of core interests and Chinese assertiveness in place, we will now move to examine various independent variables ranging from perceived external threats to material factors, which are associated with the three main IR theories: realism, liberalism, and constructivism in the context of the SCS conflict. It is our intent to assess how these variables may have influenced a change in China’s actions in allowing Filipino fishermen access to the Shoal (i.e. our dependent variable). The variables and the relation to the various IR theories are summarized in Table 1 below. We will now turn to these variables in the SCS conflict in following section.

Table 1: Independent variables and related IR theories

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>IR Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived external threat</td>
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<tr>
<td>Domestic politics</td>
<td>Liberalism and neo-classical realism</td>
</tr>
<tr>
<td>Status seeking, respect, social, ideational</td>
<td>Constructivism</td>
</tr>
<tr>
<td>Trade (economic interdependence)</td>
<td>Liberalism</td>
</tr>
<tr>
<td>IO compliance</td>
<td>Liberalism</td>
</tr>
<tr>
<td>Maximizing its own power in terms of material capabilities</td>
<td>Realism/neo-liberalism</td>
</tr>
<tr>
<td>Naming and shaming</td>
<td>Constructivism</td>
</tr>
<tr>
<td>Soft or hard balancing against the US</td>
<td>Realism</td>
</tr>
<tr>
<td>Strategic Interests</td>
<td>Realism/neo-liberalism</td>
</tr>
<tr>
<td>Material factors</td>
<td>Realism</td>
</tr>
</tbody>
</table>

3. Bilateral Relations between China and the Philippines
Stage 1: Tense ties under Aquino and China’s unwillingness to comply with an IO

When Aquino was president of the Philippines, his administration referred to the South China Sea as the “West Philippine Sea,” which reflected the turbulent relations under the Aquino administration. In addition, the Aquino administration had close ties with the US, did not engage in bilateral talks with Beijing regarding the SCS, and sought to use both ASEAN and the UN’s International Tribunal at The Hague as leverage regarding SCS issues with China (Camroux 2016). For those reasons, China viewed him as uncooperative, which had a negative impact on bilateral relations overall. It was in that tense context that on January 23, 2013 the Aquino government issued their case to the International Tribunal for the Laws of the Sea (ITLOS) regarding China’s nine-dash dash line of the SCS and its territorial claims (see White 2016). After the long proceedings in that case, which lasted more than three years, the court rejected China’s nine-dash line, as the court stated such a claim is not supported by the UNCLOS. The court also ruled that China violated Philippine access to fishing (Manning and Przystup 2016), supporting the Aquino government’s claim. Even though China ratified the UNCLOS, and by doing so, China committed itself on paper to the international rules, China did not accept the ruling. In fact, China refused to participate in the case when it was being decided by the court, and China stated all along that it rejected the tribunal on this issue (White 2016).

In June of 2016, which was the month prior to the ITLOS ruling, China asserted its protest against the Philippines by engaging with Russia in a joint naval exercise in which both

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10 China’s 9-dash line used to be an 11-dash line by the KMT in mainland China right after WWII (Cohen 2016).
countries sent ships near the Diaoyu Islands. Then, in the aftermath of the international tribunal’s ruling in early July 2016, Beijing continued with its defiant position both in language and actions, as China engaged in aircraft activity in some of the same places ruled not belonging to China (Rapp-Hooper 2016: 79). After the court’s ruling, Beijing demonstrated its disregard for international law and adamantly rejected the court’s ruling. Shortly after the court’s ruling, Russia and China stated publicly that they would have this joint exercise in the SCS, which demonstrated the extent to which China strongly objected to the court’s ruling. China’s Ministry of National Defense spokesman stated that China and Russia were aiming to advance their military cooperation due to what they view as challenges in the SCS (see Feng 2016). In other words, the Chinese government essentially stated that it is because it viewed the ruling and the implications thereof as a threat, mitigating actions were warranted. In September of 2016, Russia and China conducted yet another naval exercise in the SCS (Lukin 2016).

Prior to the court’s ruling, the US government and governments friendly with the US believed that a ruling in favor of the Philippines would serve a blow to Beijing and represent a show of support for those opposed to Beijing regarding the SCS (see White 2016). Thus, Washington thought that a favorable ruling would help its case regarding the SCS and result in China changing its actions in the SCS. However, China’s unwillingness to engage with an international organization, in this case, the international tribunal, to resolve a core interest issue, is a demonstration of preference for resolving issues bilaterally, in the context of the SCS conflict.

11 Putin publically stated his support for China against the international court’s ruling regarding the SCS (see Lukin 2016).
Stage 2 of the Duterte-Xi relationship: from the start of his presidency until late March 2017: A new leader of the Philippines

When campaigning for president of his country, Duterte stated that he wanted bilateral talks with Beijing regarding the SCS. In keeping with that campaign pledge, when Duterte became president he embraced a very different attitude towards China than the tense relationship that his predecessor Aquino had, as pointed out above. Such willingness to cooperate has been well-received by Beijing, for Beijing does not perceive the current leader of the Philippines as a potential threat, which has resulted in Beijing being willing to work with the Filipino president. Whereas Aquino’s actions emboldened Beijing to take a tough line with the Philippines, Duterte’s approach has resulted in the polar opposite from Beijing.

The warming up of relations was demonstrated in Duterte’s four-day state visit to China in October of 2016, which occurred early on in his presidency. It was considered a game changer for Beijing-Manila relations, as the two sides focused on moving forward in a positive relationship. Shortly before his trip to Beijing, Duterte offered reassuring words to China regarding the maritime dispute with China: “There is no sense in going to war” (quoted in The Guardian, “Rodrigo Duterte arrives” 2016). During that visit, Duterte publically stated the distance that he wanted his country to have with the US: “I announce my separation from the United States.” (BBC, “Duterte in China,” 2016). Dutere’s stated positon on not having a close relationship with the US is reassuring to China, as Duterte will not seek US support to go against
Soon after Duterte’s visit, China’s foreign ministry spokesperson Hua Chunying’s statements regarding the change from Aquino to Duterte are significant and revealing in terms of how Beijing acts in its foreign policy. According to the spokesperson, “We have seen all-round improvement of China-Philippines relations following President Duterte’s visit to China. Under such circumstances, the Chinese side makes proper arrangements based on the friendship between China and the Philippines in response to the issue of President Duterte’s concern” (quoted in Panda 2016). Based on that statement, the Chinese government places much emphasis on the respect (or “friendship” to quote the spokesperson) that it is given in international relations. Because Duterte has demonstrated deference and treated the Chinese government with respect, the Chinese government was willing to work with him, for the Philippines under Duterte is no longer perceived as a threat.

As a result of the productive state visit, China acquiesced in Filipino fishermen having access to fish at the Scarborough Shoal, making it the first time since 2012 that the Philippines had access to fish there (Delizo 2016). Because Beijing viewed Duterte as both not posing a threat to itself and being respectful to China, the Chinese government ordered the coast guard to allow Filipino fishermen access to the Scarborough Shoal/Huangyan Island in late October 2016 (Primiano 2017). This action by Beijing has not only continued to the present, but also Beijing seems to be allowing more Filipino fishermen access to fish at the Shoal (Reuters, 2017).

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12 In September 2016, Duterte stated that he wanted to advance ties with, in addition to China, Russia (Kingsbury 2016). While Beijing welcomes Duterte’s interest in separating his country from the US, Beijing has not gone to the extent that Duterte has with his call for China, Russia, and his country to join in a coalition against the US. Later on, Duterte changed his stance on his call for a separation with the US and did not embrace such a dramatic break from the US (Villamor, April 8, 2017).

13 When Aquino was president, China essentially took control of the Shoal in 2012.
“Exclusive” 2017). This reversal of action by Beijing regarding allowing Philippine fishermen access to fish was due to Duterte’s willingness to engage with Beijing and because Duterte is not a threat to the core interests of China. In this context of access to fishery resources, what is more interesting is that we speculate that fishery resources are considered as a ‘negotiable’ core interest, hence the Chinese government is demonstrating flexibility by allowing Filipino fishermen to access the contested area.

Duterte did not provide Beijing with any monetary compensation in exchange for such access to the Shoal. Instead, during the state visit, Duterte requested billions from China in the forms of grants and investment (Villamor, April 6, 2017; Reuters, “Exclusive” 2017). It is still early in the game regarding whether or not such economic cooperation with China will materialize. Having said that, it was Duterte who has been the one seeking material gain in this bilateral relationship. All of this begs the question: Why is China going along with allowing Philippine fishermen access to fish, which results in less fish available for Chinese fishermen, and with potentially investing in the Philippines’ economy with trade and loans? It is because Duterte is viewed as not a threat to Beijing and is not joining with the US in aiming to, at least in Beijing’s view, hinder China. Duterte, unlike his predecessor, has neither sought to use IOs to gain the upper hand with China nor has he sought to use the international court’s ruling in his favor regarding relations with Beijing or use ASEAN to advance this (Camroux 2016). His willingness to work bilaterally, instead of using IOs as platforms, with China has foster positive relations between the two countries. Despite the international court’s favorable ruling, Duterte

14 While China is allowing Filipino fishermen access, China is also stepping up its fishing and coastguard support for its fishermen (Reuters, Exclusive,” 2017).
has not used that victory as leverage in his dealings with China (Primiano, 2017). It was Duterte—not the international court—who was able to have China relinquish its control of the Shoal and allow the Philippines access to fish at the Shoal, which shows the limitations regarding China’s willingness to comply with IO rulings and policies on sensitive matters.

Another welcomed position by Beijing is Duterte’s distance with the US. Duterte stated on numerous occasions that he wanted to both end the strong relationship with the US and reduce US-Philippine joint military activities. At the same time, Duterte has decided to embrace China instead of the US. Duterte’s words, such as his disparaging comments of Obama when he was president and calling for an end to US military involvement in the Philippines, have clearly signaled to Beijing that he is not interested in a strong relationship with the US, which in turn results in Beijing viewing the leader of the Philippines as being a cooperative partner regarding the SCS.

This action regarding the Shoal from 2012 to 2016 has revealed Beijing’s flexibility regarding the SCS. Given how China cooperated not with the IO ruling regarding the SCS, but with Duterte on this issue of fishermen having access to the Shoal, demonstrates China’s three main preferences when conducting foreign policy. First, it reveals China’s preference for bilateralism as opposed to working with an IO regarding the, in the view of Beijing, very important issue of the SCS. Second, it demonstrates the emphasis that Beijing places upon working with someone who Beijing views as non-threatening to itself. Third, we see the importance that China attaches to other state actors deal with China, whether or not such actors show respect to China.
Stage 3: a (brief and slight) downturn in China-Philippine relations in mid-March 2017

In mid-March, China abruptly announced its plans for building a monitoring station for the environment at the Shoal (American Interest, “China Ready to Cross Red Line at Scarborough Shoal” 2017). Shortly after China’s announcement, Philippine Justice Minister Vitaliano Aguirre stated that the Philippines would seek to improve relations with the US (Al Jazeera, “Philippines to China” 2017). Duterte also issued a statement that he would have the military control the disputed islands. Then, in early April, Duterte deployed the Philippine military to the SCS, in response to China’s actions in the area. This heightening of tensions was further exacerbated by Duterte’s stated plans that he would raise the Philippine flag on Pag-as Island on Philippine independence day, which is June 12 (Villamor 2017). Duterte also stated that he had ordered the military to display the Philippine flag at such places as islands, reefs, and shoals (AP “Philippines to Occupy,” 2017). In his words: “What’s ours now, at least get them and make a strong point there that it is ours.” (quoted in Villamor 2017)

The downturn in bilateral relations between the Philippines and China, however, did not last long. Shortly after Duterte made such comments about having his country’s military control the disputed islands, the Chinese Foreign Ministry stated that it would like the Philippines to handle this issue better (Reuters, “China expresses concern,” 2017). Following that, top Philippine officials in the military and defense essentially reversed Duterte’s statement by saying that the military will not occupy, but rather will improve, the current facilities of the Philippines at those locations (Reuters, “China expresses concern,” 2017). Realizing that he had gone too far, Duterte then immediately changed his combative words and stance in a very short period of time (Villamor 2017). This episode demonstrates how Duterte, as a new president,
explored and tested China’s position in terms of core interests. In other words, Duterte wanted to see to what extent he could assert himself regarding China. Then, with China’s push back regarding his comments, he realized that he went too far. China’s position on non-negotiable core interests has been heard loud and clear by Duterte, as exemplified by his U-turn on his plans to reclaim the islands.

The gains and losses for both sides

From the above, we have extracted the gains and losses for both China and the Philippines and summarized it in the table below.

Table 2: Gains and losses for China and Philippines.

<table>
<thead>
<tr>
<th>Gains and losses for the Philippines</th>
<th>Gains and losses for China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain → Access to fishing</td>
<td>Loss → sharing of fishing resources</td>
</tr>
<tr>
<td>Gain → Potential investments and loans from China</td>
<td>Gain, but not a material gain → a non-threatening leader of the Philippines; treated with respect</td>
</tr>
<tr>
<td></td>
<td>A potential domestic blunder → Reversing its stance on a stated core interest</td>
</tr>
<tr>
<td></td>
<td>Overall, no financial gain</td>
</tr>
</tbody>
</table>

In the table above, we see how the clear winner regarding material gains is not China, but is instead the Philippines, which demonstrates how China is not strictly pursuing a material-
gain-based foreign policy. China’s willingness to share fishing resources with the Philippines is, in fact, a material loss for China. In addition, it appears that China will move forward with loans and other trade investment for the Philippines. In other words, China did not receive any financial gain from this change. What China has received is a Filipino government that is willing to work with China and not have an antagonistic relationship. In other words, China may have calculated that by extending an olive branch regarding fishing rights to the Philippines, this could give China leverage in resulting in the Philippines moving one step closer to cutting off the US from either using the Philippines as a base of operations or an ally in the region, which would be a significant gain for China strategically. Also, as we pointed out in this section, for the Chinese government, being treated with respect is very important. In this case here, we see how Duterte’s willingness to engage in bilateral actions with China is perceived as going along with China’s desire for that, and thus showing respect to China’s wishes.

4. Which IR theories hold?

We have examined various possible factors (i.e. independent variables) that may have played a role in impacting Beijing to act in allowing the Philippines access to fish at the Shoal (i.e. our dependent variable) in the above sections. In this section, we discuss the various independent variables and the associated IR theory or approach that can be applied to this case. Given that we examine which independent variables hold and which do not for this case, it is important to examine the pillars of each IR theory or approach and its relevance to the case of China. But first, table 3 below provides the independent variable, associated IR theory, and the applicability to this case, which we discuss throughout this section of the article.
Table 3: Independent variable, IR Theory, and Outcome

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>IR Theory</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived external threat</td>
<td>Defensive realism</td>
<td>Yes, it did play a significant role</td>
</tr>
<tr>
<td>Domestic politics</td>
<td>Liberalism and neo-classical realism</td>
<td>Did not have an impact on China</td>
</tr>
<tr>
<td>Status seeking, respect, social, ideational</td>
<td>Constructivism</td>
<td>Yes, respect played a role</td>
</tr>
<tr>
<td>Trade</td>
<td>Liberalism</td>
<td>Did not have an impact on China</td>
</tr>
<tr>
<td>IO compliance</td>
<td>Liberalism</td>
<td>Did not have an impact on China</td>
</tr>
<tr>
<td>Maximizing its own power in terms of material capabilities</td>
<td>Realism/neo-liberalism</td>
<td>Did not play a role for China</td>
</tr>
<tr>
<td>Naming and shaming</td>
<td>Constructivism</td>
<td>Did not have an impact on China</td>
</tr>
<tr>
<td>Soft or hard balancing against the US</td>
<td>Realism</td>
<td>Did not play a role for China</td>
</tr>
<tr>
<td>Strategic Interests (in the sense that China acts to advance its preferences)</td>
<td>Realism and neo-liberalism</td>
<td>Did play a role for China</td>
</tr>
<tr>
<td>Material factors</td>
<td>Realism</td>
<td>Did not play a role for China</td>
</tr>
</tbody>
</table>

**Liberalism**

According to liberal IR theory, states that are involved in trade have less international conflict with each other, as they want to maintain such trade and thus good relations (see Russett and Oneal 2001). From this perspective, numerous scholars argue that because China benefits from trading with other countries, China wants to maintain the current system in order
to continue receiving such benefits (Brandt, Rawski, Zhu 2007; Weede 2010). However, it was not due to China’s desire to maintain trade with the Philippines that accounts for the improvement in bilateral relations. In other words, liberalism’s emphasis on state actors aiming to maximize their country’s trade with other states is not supported in this case.

Another key pillar of liberal IR theory is that IOs advance peace (Russett, Oneal, and Davis 1999: 444-445). Similar with China’s massive increase in trade in the post-Mao era, China’s IO membership has also increased tremendously in this time period. Numerous scholars have argued that China has acted in a manner that promotes cooperation in such IOs or that China is a status quo country in such IOs on topics such as finance, trade, security (Foot and Walter 2011; Reilly 2012; Pearson, 2006; Li, 2010). On China and the WTO, numerous scholars (Pearson, 2006; Li, 2010; and Zhang 2003; Guo 2008) argue that China has learned as a result of its involvement in the international trade regime and has been cooperative. Regarding the Chinese government’s position on nuclear non-proliferation, scholars such as Foot and Walter (2011), Li (2012), and Yuan (2002) argue that China has changed for the better over time. Because the Chinese government has signed the main treaties on nuclear weapons, for example signing the Nuclear Non-Proliferation Treaty in 1992, it has limited its nuclear exporting capabilities and thus potential economic gain (Foot and Walter 2011: 161; Li 2012: 348).

In contrast to the numerous scholars cited in the previous paragraph who provide praise for China regarding its actions in IOs, there are significant issues in which China strongly resists adhering to IO suggestions or policies, which is accounted for by the perceived threat to the Chinese government. Whereas China was willing to make changes to the Chinese domestic
economy to comply with WTO norms, we do not see compliance regarding, for example, calls for human rights in general or in places such Tibet or Xinjiang in particular, as such is viewed as a threat to the CCP. The given issue, in other words, is very salient regarding to what extent China will comply. Regarding issues of the utmost significance for the PRC (i.e. non-negotiable core interests), China is willing to reject calls from IOs and states if it is viewed that such accommodation is threatening to the CCP, thereby operating in a strategic manner (see the section strategic/cost-benefit analysis below for more on this point). Despite China being pro-status quo in numerous IOs and playing a positive role as pointed out above, in the case that we examine in this article regarding China in the SCS, we see adamant rejection of the IO’s ruling. If both IOs and trade are as salient of liberal IR theory posits, this case here demonstrates the limits of those two main components of liberalism. In demonstrating the limits of IOs in this regard, China wants bilateralism—not multilateralism—regarding the island disputes in the SCS. Illustrating this point, it was Duterte—not the International Tribunal’s ruling—who has resulted in a change of course from China.

Realism and balancing

While there are many different realist camps (e.g. classical, neo-classical, offensive, and defensive), there are a number of issues that most realists agree upon. Realists focus on fear as the main motivator for why states act the way they do. Security, in other words, is central for realism (see Kirshner 2010: 55). The structural realist view that it is the anarchic system that is paramount for why states act is less helpful in explaining why China has acted that the way it has in this case. In addition, structural realism’s emphasis on how the international system
impacts the ways in which states act is less applicable here than the other realist camps, such as defensive realism.

Defensive realist Stephen Walt’s emphasis on the balance of threat, which posits that states balance against states that pose a threat to itself (1985: 12-13), is applicable to this case. With our process tracing in section two of this article, Walt’s theory is applicable to this case, as China clearly demonstrated that is concerned about threats and that accounts for the variance in China’s actions from Aquino to Duterte. While China did not perceive the Philippines as seeking to attack China, nonetheless, China perceived the Philippines as uncooperative (e.g. working with the US, ASEAN, and the International Tribunal to limit China in the SCS) and thus in that sense a threat to itself. For China, a country that is seeking to hinder China is viewed as a country that is a threat to China, as China is concerned about any state that seeks to limit it. This is manifested in how the Chinese government has operated regarding the variance from Aquino to Duterte.

In addition to Walt’s balance of threat, it is also important to examine whether or not China is engaging in hard or soft balancing against the US with its relations with the Philippines from Aquino to Duterte. Examples of hard balancing would be a military buildup, alliances for military purposes, and military technology transfers. Examples of soft balancing are use of IOs, economic statecraft, diplomatic engagement/alliances (Pape 2005: 10). While soft balancing is about using non-military items, the aim is to have an impact on the other country’s military (Pape 2005: 36). Given that China has not taken actions to follow up with Duterte’s call to form a coalition against the US (i.e. balance against the US), this reflects how China is not embarking on a bid for balancing against the US.
Strategic/cost-benefit analysis

Numerous scholars who focus on Chinese domestic politics (Noakes 2014; Fewsmith 2008: 224; Naughton 2008: 153) argue that the CCP’s main priority is to maintain its rule domestically. In order to accomplish this, the CCP needs domestic stability and economic development. Due to the top priority of the CCP, it does not engage in any international affair that could jeopardize its rule. In other words, these scholars argue that the Chinese government acts strategically according to its preference, which is remaining in power. For our focus of this article, it is important to establish this in examining why China acts the way it does in its foreign policy. From a similar perspective as the previous scholars mentioned, numerous scholars who write about Chinese international politics (e.g. Fravel 2010: 526; Weiss 2013; Primiano 2015; Primiano and Xiang 2016; Nathan 2015: 16) use cost-benefit analysis or argue that China acts in a strategic manner.

M. Taylor Fravel has written extensively on this topic of Chinese calculations in international affairs. Fravel argues that it is regime insecurity that explains why China does and does not cooperate regarding such international border disputes (2005: 49-50; 2006: 202). Fravel presents evidence that the PRC has cooperated with small states or states that lack sufficient power regarding international territorial compromises throughout PRC history (e.g. (1) Burma, Nepal, and India in 1959 shortly after the Tibetan uprising; (2) Mongolia, Afghanistan, and Pakistan in the 1960s following ethnic conflict in Xinjiang; (3) in the 1990s with Kazakhstan, Kyrgyzstan, and Tajikistan regarding Xinjiang; (4) and after Tiananmen, China worked with Laos and Vietnam regarding compromising on disputes (2005: 62-63).
With settling these disputes, China demonstrated that it would give up land so long as those governments previously mentioned would hinder separatists, thereby providing security to the PRC (2005: 78). This demonstrates a consistent pattern throughout Chinese history of leaders acting in a similar manner, which we argue bears out with the case that we examine here. In these cases, the PRC did not verbally fight with other states to get more land, as the main goals were bringing an end to the ethnic conflict and achieving security in the areas where ethnic groups resided (Fravel 2005). As stated above, the states previously mentioned were not mid-level powers or great powers. Thus, this reveals how China has not sought to simply maximize what it can, especially given that these states were small states lacking power, obtain in its foreign policy, which demonstrates the limits of realism’s focus in that regard.15

Having said that, regarding the offshore island disputes, such as the Spratly and Diaoyu Islands, Fravel argues that we should not expect China to act the way it did when it was willing to compromise with many states regarding stability in areas adjacent to Tibet, Xinjiang, and elsewhere in mainland China (2005: 82). Regarding the maritime disputes, Fravel argues: “Regime insecurity is unlikely to create incentives for cooperation in offshore island disputes.” (Fravel 2005: 61-62) However, Fravel’s ideas are relevant for our focus of this article, as he argues that regarding maritime disputes, external issues are salient regarding China’s willingness to compromise (Fravel 2005: 62).

Constructivism

15 Fravel did, however, point out that regarding Hong Kong, Macau, and Taiwan, the PRC did not compromise (see also Moore 2016 for this point).
A. Naming and shaming

Numerous scholars (Keck and Sikkink 1998; Wachman 2001; Kinzelbach 2013; Primiano, 2015) have demonstrated that naming and shaming China on human rights issues has not been successful. Such naming and shaming campaigns focus on issues that the Chinese government regards as non-negotiable core interests—such as human rights, Tibet, Xinjiang, which we discussed earlier in the article. As observed with our case here, despite both an IO’s ruling and leading Western states stating that China has been in violation of international law, China did not give in to such condemnation because of the perceived threat to its existence. It is precisely because Duterte did not engage in naming and shaming that enabled him to achieve his goal of having China change its actions at the Shoal.

B. Respect and the framing of Century of Humiliation

In contrast to the previous paragraph in which we observed the lack of applicability of the constructivist emphasis on how states modify their actions because they do not want to be named and shamed, in the case of seeking respect from other states or being treated with deference, we do observe the importance that China places upon that in how it modified its actions for this particular case. Some IR scholars (e.g. Wolf 2011: 105) devote attention to how being respected is very important for actors in IR. According to this view, if actors are respected, then the chances for cooperation are greater than if disrespected (Wolf: 106). Being disrespected is likely to result in the actor being angry and not content, and thus the desire to redeem oneself for being treated accordingly (Wolf: 106). Regarding the topic of respect and China, being respected or getting face plays a prominent role in Chinese society. In applying
this to the international level, there are ample cases in which the Chinese government has been explicit that it either wants to be respected or is upset that it has not been respected.\textsuperscript{16}

Further demonstrating the importance that China places on its views being respected, Kreuzer (2016) argues that if the countries that China is competing with regarding territory and maritime issues in the SCS demonstrate that they recognize China’s views (as Malaysia has done), or if such states are able to demonstrate that they are not threatening to China (also as Malaysia has done), then that will be well-received by Beijing and China will use restraint with such countries (2016: 239). For Kreuzer, if countries choose to test China (as the Philippines has under Aquino), then China will be aggressive with such countries (2016: 239). Kreuzer’s argument is very similar to ours, as we argue that it is the perceived threat to China that impacts how Beijing acts in foreign relations. As demonstrated throughout this article, while the Chinese government has not pursued a strictly material-gain based foreign policy approach, it has sought to be treated with respect or deference. In other words, because the Chinese government does not tolerate other countries insulting China in any way (see Callahan 2010: x), Chinese foreign policy is not limited to realism. Instead, both being respected and the way that China is viewed are also central pillars of Chinese foreign policy.

\textsuperscript{16} After the 2008 Olympic torch relay incident in France, in which there were anti-China protests and a protestor attempted to take the torch from a Chinese Paralympian, relations between France and China quickly inflamed. Due to the downturn in relations, President Sarkozy decided to issue an apology letter to China on behalf of France, which was widely circulated in China at the time. In that letter, Sarkozy stated: ‘I understand that the Chinese people’s feelings were hurt by what went on that day, and especially by the intolerable attack you suffered and which I condemn with the utmost force’ (quoted in Zhang 2008). After receiving such face from a leader of a major Western power, the Chinese government was then willing to move beyond the previously mentioned event.
Along similar lines of being respected, China scholars (e.g. Callahan 2010: 8; Zhao 2013) argue that it is essential that we understand the role that the Century of Humiliation (1839-1949) plays in China. Even though the Century of Humiliation ended in 1949, the legacy still continues (Callahan 2010: 31) and is embrace by Chinese when tensions emerge with other countries, particularly with Japan or the US (Callahan 2010: 31-32). Therefore, regarding the Century of Humiliation being applied to Chinese foreign policy, the goal of China is redemption—not simply maximizing power capabilities. To sum up, the issue of being respected is significant for the case that we examine here. Since Aquino demonstrated his desire to work with other states and IOs (such as the US, ASEAN, and the UN’s International Tribunal) in limiting China and advancing the Philippines, this was viewed by China as not demonstrating respect for China.

Conclusion

Prior to Duterte becoming president, China stated that all of the SCS belongs to China. Shortly after Duterte became president, however, China allowed Filipino fisherman access to fish at the Shoal, reversing its previous actions for the four years prior. As argued in this article, China’s reversal of its actions with its coast guard regarding allowing Filipino fisherman to fish at the Shoal reveals that Xi Jinping is flexible regarding the SCS. The change in bilateral relations between Beijing and Manila since Duterte begs the question: Was it a good idea for the Philippines under Aquino to confront China the way that it did on various fronts— (1) bringing the case before the international court regarding the SCS, (2) using an additional IO (e.g. ASEAN), (3) and trying to work with other states such as the US to hinder China on this
issue? Nothing positive resulted from Beijing due to the court’s ruling. Rather, we observed how the perceived threat level is of utmost importance for Beijing. While China under both Hu Jintao and Xi Jinping demonstrated that it was not interested in cooperating with an IO, China is willing to work with the leader of another country who presents himself in a non-threatening manner.

Based on our examination of this topic, we find that numerous issues related to realism (e.g. material factors, states aiming to maximize their power in terms of material capabilities, and soft or hard balancing) do not hold. In other words, because China did not change its course of action due to these features that are essential for realism, we need to look beyond realism in explaining this case. Liberalism also does a poor job in accounting for China’s change in action from Aquino to Duterte. Despite the high trade levels between China the Philippines, and the fact that China is part of the same IO that issued the ruling in favor of the Philippines, China still demonstrated tremendous disdain for the IO’s ruling, which demonstrates the limits of two of the main liberal IR pillars. The constructivist emphasis on naming and shaming also did not have an impact regarding China’s compliance with the IO’s ruling, as the Chinese government perceived the IO and other states as aiming to hinder China.

While some of the main features of realism do not hold for this case, we do see that both realism and neoliberalism’s emphasis on how state actors operate strategically is significant for this case. In particular, Walt’s emphasis on the perceived external threat is the main reason why we see the Chinese government changing its course of action with this case. In addition to that particular aspect of defensive realism, constructivism’s emphasis on interaction, especially the issue of being respected, is significant here. The Chinese government
is willing to work with Duterte because he is not being antagonistic towards China (i.e. he is, in China’s view, showing respect to China).

Because Duterte publically stated that he made the case to Beijing regarding his desire to have Philippine fishermen access to the Shoal, which was then approved Beijing, the implications are significant in terms of perception. Xi could have held on to the view that reversing his actions and moving ahead with such a call from Duterte would result in him being perceived as weak both by his domestic audience and internationally, and thus a risk he could not take. In other words, China knew that it would be allowed to be perceived both domestically and internationally as changing its positon on the SCS because of the pressure put on it by another leader. If China were concerned about the potential precedent that this may establish or the signal that this may send to other states in the SCS, then it would not have reversed its decision. Instead, this demonstrates that China is willing to engage in this kind of flexible action with another state so long as that state is not perceived as a threat. This action by China and the implications, in other words, is not something that should be taken lightly.

With this case, China has demonstrated that it is simply not a power capabilities maximizer. Given that China is allowing the Philippines to fish in the area, is providing the Philippines with loans and investment, and is going against a stated core interest, this is not a material gain for China regarding these aspects. Having said that, as we pointed out earlier, if the Chinese government, by extending the olive branch regarding fishing rights, can have that

17 While audience costs (AC) is not our focus here, nonetheless, the notion of stating that the entire South China Sea belongs to China and then reversing that to allow for the Philippines access to areas that it was previously denied could result in domestic blowback. In applying AC to the case of China, see Weiss (2013).
result in the Philippines being one step closer to cutting off the US from either using the Philippines as a base of operations or an ally in the region, then that would be a significant victory for the Chinese government.

We stress that this is just one case and thus we cannot be sweeping in our conclusion here about Chinese foreign policy in general. Having said that, there are other case studies that we referenced in this article that also arrive at similar findings regarding the perceived threat by China. Nonetheless, we still argue that additional studies should further explore this topic. While it is beyond our focus here, future research should take up the applicable of non-Western IR approaches to this topic, as some Western scholars (e.g. Kang 2003) have suggested previously. PRC scholars have also advocated looking beyond Western IR regarding China. For example, Yaqing Qin has recently advanced a “relational theory of world politics,” (2016: 33) which emphasizes culture and how culture impacts IR.

Given the role of the US in East Asia, the US needs to be taken into account regarding China’s dealings with the Philippines throughout the time period that we examine here. Regarding the implications for US strategy in the SCS, it appears that China does not have a grand strategy for the SCS. China’s strategy in the SCS seems more ad hoc and based on finding actors who are not threatening to China. In terms of policy implications, Glaser’s suggestions are relevant here, as he argued that the US should work out a deal (or what Glaser calls a “grand bargain”) with China that the US will not defend Taiwan in a confrontation with China. In exchange for the US doing so, China would have to agree to “peacefully resolve its maritime and land disputes in the South China and East China Seas, and officially accept the United

\[\text{18} \quad 2015: 50.\]
States’ long-term military security role in East Asia.” According to Glaser, if the US is not aggressive with China and does not engage in actions that are perceived as threatening by China, China will feel more secure and relations will improve between the two countries (2013: 146; 2015). In essence, as argued throughout this paper, it is the perceived threat level to the Chinese government that accounts for China’s actions. As of now, it appears that Trump seems to be embracing a position of deference to China with both the language he has used since becoming president when speaking about China and with his actions deferring to China in the SCS. We will see in the coming months how this plays out with China, but as of now, it seems that this cooperative stance from the Trump administration is reassuring to China.

Since China changed its actions in the case examined here, this demonstrates how there is room for cooperation with China. However, there are certain conditions, as pointed out in this article, that must be met in order for China to entertain the notion of a compromise on issues: (1) it must perceive the actors as not a threat to the Chinese government and (2) China must be treated with a degree of respect. If those two conditions are not met, then chances for comprise diminish.

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19 2015: 50.
20 For a critical assessment of Glaser on this topic, see Kim (2016) and Easley (2016).
21 On the campaign trail, he said that China is “raping” the US and that he would get very tough with China on trade. This has not been the case since he became president.
22 In mid-March 2017, the US Pacific Command was denied permission from the Pentagon to go twelve nautical miles of the Shoal (Cooper, May 2, 2017). In addition to that episode, the Navy was twice denied this in February of this year. In fact, since Trump became president, the US Navy has not sent a ship within twelve nautical miles of such disputed islands (Cooper). Put differently, the Trump administration is showing much restraint in working with China and not doing anything to antagonize China. In contrast to his statements about China on the campaign trail, as president, Trump has used language that plays well with Beijing, such as making reference to Xi as a “highly respected president.” (Cooper)
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