## **KARAGATAN OBSERVER | FIRST QUARTER 2023**

#### **Summary**

As the year 2022 came to an end the Marcos administration released the "Philippine Development Plan 2023-2028" (PDP), which called for cooperation and transformation to achieve a better Philippines. More specifically, it stated the need for "a whole-of-government and whole-of-society approach" and "deep and fundamental transformations" in all sectors of society. This overarching plan is, by the admission of the government, affected by geopolitical issues in the region.

Three months into the year and the Philippines has faced several challenges as it endeavored to bolster its international image and its sovereignty defense.

## Prepared by

Matthew C. Uy

#### Date

20 April 2023

#### **Recommended citation**

APA: Uy, M.C. (2023). "Karagatan Observer: First Quarter 2023." Amador Research Services.

CMOS: Matthew C. Uy. "Karagatan Observer: First Quarter 2023." Amador Research Services (2023).

As the year 2022 came to an end the Marcos administration released the "Philippine Development Plan 2023-2028" (PDP), which called for cooperation and transformation to achieve a better Philippines. More specifically, it stated the need for "a whole-of-government and whole-of-society approach" and "deep and fundamental transformations" in all sectors of society. This overarching plan is, by the admission of the government, affected by geopolitical issues in the region.

Three months into the year and the Philippines has faced several challenges as it endeavored to bolster its international image and its sovereignty defense.

## **Hot Air with China**

Early into January, President Ferdinand Marcos Jr. traveled to China, the first leader China welcomed for the year and the president's first state visit to a major power. President Marcos reportedly secured a promise to find an amicable solution to the problems in the WPS. The visit also garnered 14 bilateral deals, one of which is the establishment of a communication mechanism on maritime issues between the Chinese Ministry of Foreign Affairs and the Philippine Department of Foreign Affairs (DFA). The official joint statement revealed a candid exchange of views took place and that further cooperation in the maritime domain was agreed upon. Later on, Chinese Ambassador to the Philippines Huang Xilian

proclaimed that, so long as China and the Philippines continue their cooperative relationship, the South China Sea can become "a sea of peace, friendship and cooperation".

However, incidents on the ground undermined the public display of cooperation. Chinese vessels have repeatedly been reported within Philippine territory. These sightings have steadily increased throughout the years. In early February, a Chinese Coast Guard (CCG) vessel directed a green military-grade laser light towards the Philippine Coast Guard (PCG) near Ayungin Shoal (Second Thomas Shoal), the second such incident since June 2022. The Chinese ambassador was summoned over the incident and the 75<sup>th</sup> diplomatic protest was lodged by the Marcos administration.

Earlier still in the last days of December 2022, an object resembling a Chinese spy blimp was detected above Pangasinan province. Analysis of pictures taken of the object show that the object has incredible similarities to the number of airships under development by Chinese companies. There is no concrete proof that this was a Chinese asset, but the object resembled those on display at a recent Zhuhai airshow. China is known to use spy balloons for maritime surveillance. The incident bears similarities to what later occurred in the United States when objects were sighted throughout the country's airspace and were confirmed to be Chinese spy balloons.

There is more tangible proof of Chinese incursions in Philippine waters. US think tank Asia Maritime Transparency Initiative (AMTI) revealed that China patrolled various Philippine-claimed territory for most of 2022 (Scarborough/Panatag Shoal was patrolled for 344 days). The US recently provided an analysis of photos of Chinese installations in the South China Sea taken in October. This buildup has not ceased. The AMTI information revelation coincided with the proposed theory that China could be trying to co opt key officials in the Philippine security sector.

# **Extra-sized Diplomacy Courtesy of America (EDCA)**

A clearer sense of cooperation was seen throughout January when it came to Philippine relations with the United States (US). A Pulse Asia survey revealed that 84% prefer assistance from the US in addressing WPS issues (as opposed to 20% for China). US Ambassador to the Philippines MaryKay Carlson reaffirmed US commitment and expressed optimism for bilateral relations. On January 19 to 20, the two countries held the 10<sup>th</sup> Bilateral Strategic Dialogue. In this forum, the development of Subic Bay was listed as a priority. Days later Philippine Ambassador to the US Jose Manuel Romualdez revealed that discussions were taking place on joint patrols in the WPS. This was further discussed by Senator Francis Tolentino, who said that joint patrols could take place in the South China Sea with the US or other ASEAN states. In early March, it was announced that a 2+2 Meeting (Defense and Foreign) would take place in April.

In early February, the US and the Philippines agreed to "accelerate" EDCA's implementation. This included the allocation of \$82 million for upgrades at five sites and to expand to four new sites.

The implications of the expansion of EDCA sites generated heated debate about US activities in the country. Some have remarked that the Philippines is venturing into a minefield of geopolitics, with the

greatest concern for the Balikatan exercises scheduled for mid-April. The exercises were previously set to take place in Ilocos Norte province but were moved to Zambales province. The biggest critic was the Chinese Embassy in the Philippines, which claimed that the US wanted to drag the Philippines into the conflict with Taiwan to counter China (consistent with Chinese anti-US propaganda). Within the Philippines, Senator Imee Marcos argued that possible EDCA site expansions in the north would escalate tensions in the Taiwan Strait rather than advancing the Filipino interest.

## The Philippines as a Regional Actor

The Philippines is attempting to improve itself in various aspects of security and economics while trying to uplift its standing in the international stage. But a key factor for Philippine development is linked to its proximity to Taiwan. The Philippines is a key factor for any potential Western strategy, particularly for the US. Because of this, China has a vested interest in ensuring a strong relationship with the Philippines, especially in preparation for a potential escalation in tensions. Members of the DND and the Armed Forces of the Philippines (AFP) should be aware of this; especially in light of recent internal turbulence and political challenges.

As such, it is incumbent upon the Philippines to be cognizant of its position in the region, the mechanisms at its disposal, and the way it can progress forward.

## Diplomacy by other means

It is standard for Philippine policy to employ both dialogue and taking a firm stand as possible the defense of its sovereignty. In the waning days of 2022, the Department of National Defense (DND) reaffirmed this when speaking on Chinese ships swarming contested territory. Increased coverage of Chinese activities in the area – such as construction activities in the Spratly Islands – prompted the DND to increase military presence in the West Philippine Sea (WPS). Then-National Security Adviser Clarita Carlos suggested the creation of a regional fishing agreement with China to address WPS issues. The DFA reported that from the period of 2020 to December 2022, China responded to 71% of *notes verbale* protesting Chinese activities.

Growing pushback for Chinese activities has prompted greater acceptance of working alongside other countries aside from the US for maritime security. In the spirit emphasized in the new PDP, the Philippines reaffirmed and called for deeper relations with neighbors such as Japan (discussions about a trilateral pact with the US are set to take place in April) and Indonesia and Malaysia in mid-December, and with Australia (an Air Force facility donated in mid-March).

But cooperation with China remains essential. The Philippines and other ASEAN states are scheduled to conduct an exercise in incident management with China later in the year.

Lessons from around the world

The role of the Philippines as a regional actor cannot be understated. The Russo-Ukraine War, now more than a year into the conflict, has provided many lessons for the Philippines and its neighbors in the region. These lessons have spurred states such as India and South Korea, stepping up as a defense supplier and aspiring to become a Global Pivotal State, respectively. Both with the goal of strengthening regional ties and preserving the rules-based international order.

Given the recognized effect of cybersecurity on maritime affairs, it is necessary for the Philippines to improve its overall cybersecurity. A "credible" cyber defense posture requires a unified strategic vision and adopting best practices from allies and partners. One example that the Philippines can emulate would be the Japanese amendments to its law to acquire an "active cyber defense".

All this is done, primarily, in the light of Cross-Straits tensions. ASEAN as a whole is unprepared for an armed conflict and is seeking to rectify this. Singapore's Foreign Minister remarked that the "peace dividend" of the post-Second World War era was over. This can be seen primarily in arms spending, which increased significantly in the region, with a notable eye for maritime assets such as submarines. The world's eyes remain focused on Taiwan. In an unclassified simulation, a Chinese invasion would fail provided certain conditions are met. One condition is that Taiwan is fully armed before an invasion begins. However, it is possible that China will continue gray-zone operations until it seizes key outer islands. Taiwan has raised its defense spending to 2.4% of its GDP and has organized civilian training for volunteers. Due to proximity, the Philippines, specifically the Northern Luzon region, is at risk of getting involved in any cross-strait incident, and should consider joining its neighbors in providing a united front of deterrence. Any and all factors that can raise the cost of an invasion should be considered.

In the South China Sea, the rivalry between the US and China has dominated regional attention. China has accused the US of increasing tensions through additional military deployment. The latest point of contention was over the *USS Milius* near the Paracel Islands. Both powers have been criticized for its "ambivalence" towards UNCLOS – the resentment by China and the lack of formal acceptance by the US – and is seen as fueling tensions.

How the PDP can be implemented

Recent events have emphasized the need for the Philippines to have a united response whilst ensuring its own development.

Likewise, the PDP has emphasized the role of cooperation between the whole-of-government and whole-of-society. The Philippines must understand the role of fisheries in its maritime security. South Korea can be emulated in its use of drones to protect fisheries.

Overall, the Philippines must strengthen existing relationships and establish new cooperatives with specific goals in mind. It can emulate how the trilateral AUKUS seeks to increase regional security while focusing on Australia's asset acquisition. It can explore a collaboration with other ASEAN maritime states in the same manner that Nordic countries have combined their fleet to deter Russia.