Sino-Philippine relations as the modern tributary game: moving beyond the South China Sea disputes

As relações sino-filipinas como o jogo tributário moderno: para além das disputas no Mar do Sul da China

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Abstract

This article examines the China-Philippines relations in the South China Sea (SCS) from 1997 to 2017. The premise is that the China’s interaction with litigating neighbors in the SCS (such as Vietnam and the Philippines) is shaped by strategic, political-economic and symbolic relations analogous to the dynamics of the Imperial China with the nomadic peoples of Central Asia in the so-called “tributary game” (ZHOU, 2011). The central hypothesis is that, just as the tributary game lasted for centuries in an asymmetric but relatively stable pattern, the same asymmetrical and stable pattern tends to prevail in the contemporary stage. In this scenario of a de facto Chinese control of many positions in the SCS and the expectation of economic gains by the Philippines, it is more likely that the tributary game shall move away from a conflictive stance and towards the conciliation-submission stance consolidated by the mutual learning process and by the inevitable economic and diplomatic gravitation of Asian countries around China.

Key-words: China-Philippines Relations; China’s Pre-modern Tributary Game; South China Sea Disputes; China’s Foreign Policy; Philippines’ Foreign Policy.

Resumo

Este artigo examina as relações China-Filipinas no Mar do Sul da China (MSC) de 1997 a 2017. A premissa é que a interação da China com os vizinhos litigantes no MSC (como o Vietnã e as Filipinas) é moldada por relações estratégicas, político-econômicas simbólicas análogas à dinâmica da China Imperial com os povos nômades da Ásia Central no chamado “jogo

¹ Professor Adjunto do curso de Relações Internacionais da Universidade Federal de Santa Maria. Artigo submetido em 04/01/2019 e aprovado em 17/04/2019.
tributário” (ZHOU, 2011). A hipótese central é que, assim como o jogo tributário durou séculos em um padrão assimétrico, mas relativamente estável, o mesmo padrão assimétrico e estável tende a prevalecer no estágio contemporâneo. Em um cenário de relações bilaterais com controle chinês de facto de muitas posições no MSC e de expectativa de ganhos econômicos pelas Filipinas, é mais provável que o jogo tributário se afaste do polo conflituoso e se aproxime do polo de submissão-conciliação, consolidado pelo processo de aprendizagem mútua e pela inevitável gravitação econômica e diplomática dos países asiáticos em torno da China.

Palavras-chave: Relações China-Filipinas; Jogo Tributário Pré-moderno da China; Disputas no Mar do Sul da China; Política Externa da China; Política Externa das Filipinas.

Introduction

This article examines the China-Philippines relations in the South China Sea (SCS) from 1997 to 2017. The premise is that the China’s interaction with litigating neighbors in the SCS (such as Vietnam and the Philippines) is shaped by strategic, political-economic and symbolic relations analogous to the dynamics of the Imperial China with the nomadic peoples of Central Asia in the so-called “tributary game” (ZHOU, 2011). The central hypothesis is that, just as the tributary game lasted for centuries in an asymmetric but relatively stable pattern, the same asymmetrical and stable pattern tends to prevail in the contemporary scenario, in line with Steve Chan’s (2016, 36) argument.

Nevertheless, we argue that the contemporary tributary game (which oscillates between poles of cooperation and conflict) is embedded in a gradual long-term process in which China, as a regional power, creates new core-periphery relations with its Asian neighbors. The cooperation-conflict oscillation is constant in international relations, but the core-periphery dynamic adds complexity to the specific case of Sino-Philippine territorial disputes in the SCS, resembling the pre-modern tributary game. Furthermore, the US’ projection in Asia Pacific is another novelty of the contemporary period and must be considered as an intervenient variable in the tributary game, as well as its historical proximity with the Philippines in particular.

This article is also inspired by the “lines in the sand” research agenda, which offers an unconventional interpretation of territorial boundaries: rather than a territorially fixed static line, the concept of border should be understood as dynamic
and flexible, product of a series of political, social and economic practices (PARKER et al., 2009). And just as lines in the sand are easily erased and redrawn, lines in the water, such as the SCS case, are also constantly drawn and redrawn as the product of material and symbolic processes among societies and sovereign states.

In order to understand this process, the article is divided into the following topics: i) a conceptual debate on the pre-modern tributary game; ii) the new core-periphery relations produced by China’s rise in the 21st Century; and iii) the new tributary game between China and the Philippines, in which the SCS issue and the “lines in the water” play a relevant role.

The tributary game in China’s history

The idea of a Chinese tributary system was developed by the American scholar John K. Fairbank in the first half of the twentieth century. The author suggested the existence of a set of relations among nations of Central and East Asia in which an outer periphery (of barbarian peoples) and an inner periphery (of Sinicized peoples) would gravitate towards the Chinese Empire (LEE, 2016). Fairbank (1942) argues that China’s civilizational centrality would derive both from a material basis of military power and economic strength and also from a cultural superiority expressed in Confucian literature, arts, and codes of conduct.

Above all the cited elements, the author emphasizes the symbology of the rituals of submission to the Chinese emperor and the subsequent diffusion of Chinese values. The emperor’s political authority conferred by Confucianism would be the basis of the Empire’s relations with foreigners, in a dynamic of mutual expectations and mutual gains. Foreign leaders would send tributary missions with rare commodities, exotic animals and a commission of official representatives (or the foreign ruler himself) would perform the ritual of formal submission (kowtown). Such products had a rather symbolic value, strengthening the prestige of the emperor before his subjects and the foreign polities (FAIRBANK, 1942). In addition, the Chinese sovereign granted titles and investitures, coopting allies and forming a buffer zone of sinicized kingdoms that protected the heart of the empire against the attacks of non-sinicized “barbarian” peoples. Thus, in addition to symbolic gains, the formation of an allied belt also had an important military function.

On the other hand, the tributary system was also important for its vassals. Formal submission conferred prestige to legitimize foreign leaders before their
subjects and neighboring polities. The connection with China guaranteed not only symbolic status, but also access to trade in high value-added Chinese products and military support in conflicts against internal factions and against neighboring kingdoms. Thus, in Fairbank’s view, the symbolic sphere was the core of the tributary system and was complemented by material gains in trade and regional and domestic power disputes. Although the centrality of the symbolic ties is often questioned, much of the academic literature that followed is based on at least one of these three elements (civilizational/cultural centrality, military power and economic strength) hence Fairbank’s importance for the area studies.

One of these lines of research, the borderland studies, examines the interaction between Imperial China and the nomadic peoples. In this field, Fangyin Zhou (2011) perceives a pattern of interactions and proposes a theoretical tool to examine specific cases in history. The author aims to analyze the stability of what he calls the “tributary system” and to see it as “a continuous set of abstract principles that were applied to both diplomatic strategy and foreign policy over several thousand years of Chinese history” (ZHOU, 2011).

Feng Zhang (2009) infers that each Chinese dynasty had its own tributary system and ponders: “Why was Chinese foreign policy characterized by rigidity at certain times and by pragmatism and flexibility at others?” (ZHANG, 2009) How can we explain the “constancy” of sinocentric discourse in face of historical “variables”? How did the narrative of Chinese centrality remain relevant despite the multiple aspects it acquired? And in a realistic perspective, Zhang’s response (2009) is: through legitimacy and security. Thus, the author follows Fairbank’s vision but attributes an equal relevance between the strategic and the symbolic dimension. To him, security stems from the premise that the Chinese Empire, like any empire, was concerned with its physical security and, whether in a strong dynasty (Ming) or in a weak one (Song), the same legitimacy granted by sinocentric discourse was used either for expansion or defense purposes.

In this line, Zhou (2011) adopts a neorealist view of the tributary system, which is defined by the distribution of power among state units and by rational choice in strategic interactions, in a kind of “tributary game”. In face of the asymmetry of capabilities in favor of China, Zhou suggests that each agent faces a dilemma between two options: China may play a conciliatory strategy or that of a punitive expedition, each of which, respectively, represents peace or war; and the peripheral state can either engage in border harassment or submit to China.
The table above shows the possible results in the tributary game. (B) is the Nash Equilibrium, when neither player has incentives to change the status quo. This is the optimal response, when submission to China, rather than border harassment, is more beneficial to the peripheral state; and a conciliatory stance, rather than a punitive mission, is more beneficial than a punitive mission for China. Thus, (B) is the ideal situation for an eternal balance in the tributary game: China adopts a peaceful and non-hostile stance towards its neighbor, which does not represent a military threat, and it eventually submits to the sinocentric world.

Zhou finds empirical cases in history with the following pattern: A → C → D → B → A. Confronted by border harassment from a peripheral state (B → A), China moves from the conciliatory stance to the punitive one (A → C). In this case, the peripheral state maintains the aggressions despite the punitive missions because the benefits from looting are high. But there is a moment when the costs of fighting Chinese forces are greater than the gains from looting, so the peripheral state passes to the submission stance (C → D).

This model is applied to regions and peoples that China was unable to formally annex due to geographic, social or military reasons, i.e., if an independent polity was incorporated to the Chinese Empire, it would lose the autonomy to play the tributary game. Thus, if the ultimate conquest is impossible, China tends to end the punitive missions and subjugate its neighbors by a mix of economic and symbolic incentives. The Middle Empire moves to the conciliatory stance (D → B) when Chinese emperors send gifts and give symbolic titles to neighboring leaders (investitures) and grant privileged access to long-distance trade networks, giving up the military option temporarily.

Zhou argues that the tributary game prevailed in the following cases: Qing Dynasty’s Emperor Qianlong relations with the Kingdom of Burma in the mid-18th

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2 In game theory, the Nash equilibrium is a kind of solution concepts of a game involving two or more players, where no player has anything to gain by changing only his own strategy. In other words, if each player has chosen a strategy and no player can benefit by changing his strategy while the other players keep theirs unchanged, then the current set of strategy choices and the corresponding pay-offs constitute a Nash equilibrium (Hotz).
Century; Ming Dynasty’s response to the Japanese invasion of Korea in the 17th Century; and the Sui-Tang dynasties’ relations with the kingdoms of Korea in the 7th century. Nevertheless, if we consider only the last two Chinese dynasties (Ming and Qing), the frequency of conflicts with nomadic peoples is much greater than those with sedentary kingdoms. There is a vast bibliography that portrays Central Asia but not East Asia as the main source of military threats to China (KANG, 2010; PERDUE, 2005). Actually, clashes with nomads accounted for almost 80% of all China’s external conflicts during Ming and Qing\(^3\) Dynasties (1368-1841).

**Table 1 – Frequency of conflicts in the tributary system**

<table>
<thead>
<tr>
<th></th>
<th>Ming (1368-1644)</th>
<th>Qing (1644-1841)</th>
<th>Total (1368-1841)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomads</td>
<td>200</td>
<td>52</td>
<td>252</td>
</tr>
<tr>
<td>Pirates</td>
<td>60</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td>Sinic States (Vietnam, Korea, Japan)</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Elaborated by the author, based on KANG, 2010.

Based on this data, we assume that Late Imperial China’s strategic thinking for the north-west boundary arc (with the nomadic peoples) had a discernible pattern. It was the *locus* of security threats where “war” properly happened. In this scenario, it was necessary to adopt a defensive stance, either by conciliation or by punitive missions, and even territorial expansion was justified by the creation of buffer zones with sinicized peoples to protect the agricultural heart of the empire and to ensure the security of long-distance trade routes.

The construction of the Great Wall in various periods of China’s history illustrates a great contradiction in this case. On one hand, it represents the defensive logic against the constant harassment of smaller polities. On the other, it depicts the inefficiency to deal with the mobile military forces of these nomadic peoples, preventing the emergence of a well-defined territorial boundary. In spite of the Great Wall effort, China’s north and western borders were truly mutable and flexible “lines in the sand”. It was a transitional area containing merchants, nomads, oasis settlers, peasants, fortifications and military men – all from multiple nationalities (PERDUE, 2005).

In a dialogue between Peter Perdue and Zhou, we infer that there was a well-defined pattern in China’s northern and western frontiers, a certain degree

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\(^3\) The Qing Dynasty lasted until 1911 but the data ends in 1841, when the Opium War put an end to the Sinocentric World.
of predictability in the instable borderlands. In other words, the frequent clashes between nomads and Chinese forces were not chaotic, they were crises within the system, but not crises of the system itself. Thus, the existence of a stable tributary game that faced constant military instability is a plausible thesis. The means of violence between polities was a relevant variable of this system, although not the only one.

In sum, we know the Chinese were unable to hold the invasions of Mongols and Manchus in different moments of history, but in spite of these two failures, they were successful in preventing hundreds of other incursions from northern/western polities. And this was a consequence of: a) the choice, by other polities, to avoid direct confrontation with China or to submit to its world order; and b) the tributary system, which could bear a “limited instability” of border harassment and punitive missions in order to preserve itself.

**The structural contemporary process: China’s rise in the 21st Century and the new Core-Periphery relations**

Zhou’s tributary game (2011) is a type of game theory with the following premises: i) there is an asymmetry of capacities between two actors (China and the peripheral state); ii) this asymmetry is moderate, i.e., the maximum gain does not imply the annihilation of one actor by the other; and iii) as a theoretical model, it is ahistorical and not subjected to long-term processes.

The tributary game oscillates between two poles: cooperation (neighbor’s submission and China’s conciliation) and conflict (neighbor’s harassment and China’s punitive missions). As a cycle, there are no eternal points of maximum gain or loss: there are occasions when border harassment is more advantageous than submission (to the neighbor) and others when a punitive mission is more advantageous than co-optation (for China). However, the system tends to a cycle of cooperation and conflict that would be eternal if it was not affected by a learning curve process between the actors, who familiarize and predict the behavior of the other, and by historical processes of medium and long duration.

Our central hypothesis is that China’s disputes with the Philippines in the South China Sea (SCS) present a dynamic analogous to the tributary game. However, instead of the eternal oscillation between the conflict and cooperation poles, it has been gradually shaped by the mutual learning process and, above all,
by China’s rise as a regional power. Even though it does not imply the annexation of peripheral states such as the Philippines, it tends to reduce their margin of maneuver and push them to the submission stance with economic and symbolic gains in lieu of strategic concessions.

The disputes in the SCS are “lines in the sand” in the sense that they are affected by flexible and dynamic issues. It is a phenomenon that shapes and is shaped by social, political and economic matters that stretch far beyond hard politics. The three vectors of China’s external projection since 1997 are expressed in the intersections 1, 2 and 3 and the question that this model intends to answer is: if the abstract model of the tributary game reemerged today, what would be its concrete implications?

![Figure 2 – China’s vectors of external projection](source: elaborated by the author, 2019.)

The political economy vector has undergone profound transformations since 2008. Based on a successful and complex struggle between the government and the national bourgeoisie, there was a complexification of economic relations with the outside world under state guidance (NOGUEIRA, 2018). If this vector was driven by structural reforms, foreign direct investment attraction, public investment and export incentives in the 1990s and 2000s, foreign trade remained important, but it started to share attention with other sectors that make up a complex “toolkit” of economic projection, which we call economic statecraft. Leonard (2016) points out China’s five major tools since the late 2000s: trade, investment, financial services, Renminbi internationalization and logistics integration through the Belt and Road Initiative (BRI).
These processes arise from the saturation of a model based on public investments and exports surplus. One of the main internal constraints that impel this economic statecraft is the idle capacity of numerous productive sectors, which enhances a growing reliance on infrastructure works, an inflation of the real estate market, indebtedness of provinces and local governments, and a high leverage rate of banking and non-banking sectors. In order to mitigate these tendencies, state banks such as the Export-Import Bank of China (China Exim Bank) and the China Development Bank (CDB) started to support the internationalization of public enterprises through cheap credit (CINTRA; PINTO, 2017). In addition, China’s high savings rate and corporate governance structure were combined with the distorted capital market to support the Chinese Outward Foreign Direct Investment (OFDI). Therefore, with the high competition in the domestic market, exploited by domestic and foreign companies, and the competitive leap of Chinese firms, the country’s OFDI rose considerably in the mid-2000s and 2010s.

This way, Chinese companies started to invest abroad to gain more control over value chains and to access new technologies, markets and resources (NOGUEIRA, 2012). The approach to African countries, for example, has taken place through internal articulations that bring together the Chinese government, the financial institutions (Exim and CDB) and the state companies (Ribeiro, 2017) and such processes denote a change of focus from developed to developing countries. In short, the political economy projection through the state’s dirigisme in vital sectors such as energy, infrastructure, food and technology has functioned as a relief for internal constraints.

The strategic vector underwent significant changes in the last decade as well. In quantitative terms, there were no surprises because public spending in the military remained around 2% of the GDP since the late 1990s. However, there was a sharp growth in absolute values: the official data indicates that, from 2008 to 2016, investment jumped from US$60 billion to US$151 billion, but there is evidence that the Chinese government minimizes the indicators. Other sources such as the SIPRI point to a leap from around US$86 billion to US$215 in the same period. Thus, in spite of a relative decline in military spending in 2017 (1.3% of the GDP in 2016), absolute values are still rising and remain much higher than other Asian countries’ spending.

However, the great strategic shift is qualitative and consists on a military doctrine change: from an extensive and defensive logic (it focused on quantity of troops and weaponry for border protection) to an intensive and offensive one...
(centered on non-conventional sectors, such as space program and cyberwar, and
greater emphasis on power projection in the Asia-Pacific scenario and beyond
through the Navy and the Air Force). These changes began in the 1990s and
2000s, with cuts in personnel, improvements in the industrial-military complex
and integrated joint operations in the armed forces (FISHER JR, 2010), gaining
momentum in the last decade with the construction of aircraft carriers, submarines
and other vessels capable of navigating beyond the Asia-Pacific's first island chain.
Finally, there is a growing focus on informatization of command and control lines,
air force modernization and investments in cyber and space sectors.

Above these doctrine changes there are permanent strategic concerns:
separatism (Tibet and Xinjiang), the status of Taiwan, the Koreas issue and the
relations with the great powers. But one of the main changes, which is linked to
the new military doctrine, refers to the maritime territorial disputes with Japan
and the Southeast Asian countries. The military asymmetry with the latter and
the historical resentments with the former are elements of growing relevance in
Chinese strategic calculation and reinforce a doctrine focused on the projection
of naval power. As a matter of comparison for further analysis, China is ranked
in the 3th in the global firepower index, while the Philippines is only the 64th.
The unbalanced correlation of naval power between both countries is expressed in
numbers: 52 to 3 frigates, 76 to 0 submarines, 42 to 10 corvettes, 192 to 39 patrol
craft and the total naval assets is 714 to 119 (GFP).

The interface between the political economy and the strategy vectors is the
hard core of the Chinese post 2008 external projection. The asymmetric economic
interdependence that China has built with its neighbors has been shaping their
behavior on sensitive topics such as Taiwan and the SCS, hence the more dependent
on Chinese capitalism the less combative these countries tend to be. Another issue
is that Chinese state owned enterprises (SOE’s) have operated in strategic sectors
of neighboring countries such as energy, communications and transport and can
be used to blackmail or threaten governments in case of a military escalation.
In that sense, Chong (2014) presents an interesting debate on Singapore’s cyber
vulnerability towards China. In a complementary way, the strategic vector is also
important to the political economy one because it ensures the safety of sea lanes
and generates income from the exports of the industrial-military complex products.

Finally, the symbolic and institutional vector goes far beyond traditional
diplomacy and encompasses the activities of politicians such as Xi Jinping and
Li Keqiang, academics, military, media and envoys to international organizations.
Naturally, Chinese diplomacy has its own dynamics, but its performance tends to be an extension of the other two vectors both in bilateral and multilateral contexts.

The interface with the political economy sphere is clear by the diffusion of the “win-win game” motto, which creates a positive image of Chinese enterprises through media and political direct support in negotiating contracts with foreign firms and governments. In bilateral relations, particularly with developing countries, the Chinese government has promoted cooperation projects in several topics such as agriculture, trade, finance, investment, tourism, technology, circulation of people, etc. (Clemente, 2016). In the multilateral level, Beijing has sponsored and/or actively participated in hundreds of medium and high-level meetings, strengthening the image of China as a responsible partner and a promoter of development.

The symbolic interaction with the strategic vector has appeared on the so-called military diplomacy, with China’s participation in joint military exercises, training of foreign forces, humanitarian aid and transfer of arms and military equipment. From 2003 to 2016 Beijing participated in 349 joint military exercises with 56 countries, ranging from combat training to operations of hospital-ships in poor countries in Africa. In the multilateral arena, China has been actively participating in UN peacekeeping missions and joined regional institutions and regimes such as the Asean Regional Forum and the Declaration of Conduct in the South China Sea. Thus, the military diplomacy reinforces the image of China as a rising, responsible and non-revisionist power, concerned with peace and stability in its regional and global environments.

Nevertheless, the US projection in Asia Pacific, recently updated to Indo-Pacific by the White House vocabulary, remains a relevant factor to counterbalance China’s rise. The US presence in Asia Pacific dates back to the mid-nineteenth century when, in 1854, Commodore Perry’s celebrated Naval Expedition, inspired by the Manifest Destiny, used gunboat diplomacy to establish formal relations with Japan and open the ports of Hakodate and Shimoda for free trade. At the turn of the twentieth century the Americans also secured trade interests with China. In 1902, as a consequence of the Spanish-American War, the US took Spanish territories in Central America (Cuba and Puerto Rico), in the Pacific Ocean (Guam and Wake) and, after supporting the Moro Rebellion against Spanish rule, they repressed this nationalist movement and turned the Philippines into a formal protectorate until 1946 (Pires, 2013).

Throughout the Cold War, American influence became even stronger with the creation of SEATO and the hub-and-spock system of bilateral alliances with Japan,
South Korea, Australia, Taiwan, Indonesia, Thailand and the Philippines. At the end of the Cold War, this system gained new contours: instead of containing the socialist bloc, it became a tool to counterbalance China through softer elements of power such as its participation in the ASEAN Regional Forum, increased economic interdependence and cooperation on non-conventional security issues such as counterterrorism and humanitarian aid in cases of natural disasters and pandemics (Acharya, 2008, 41).

The tributary game between China and the Philippines: is China acting as its former self?

“China is acting as its former self”. This is how Julio Amador III described the current posture of the Asian giant in the 21st Century. He continued: “China wants new tributaries? It might even be true, but the former tributary system lasted long only because its associates had commercial benefits with China. Philippine sailors landed in China before Chinese sailors landed in the Philippines” (AMADOR III, 2017). If that is the case, how can the tributary game explain the current affairs between the two countries?

The disputes in the SCS are at the intersection of China’s three outward-projection vectors because the states involved are tightly bound by strategic, symbolic, and political economic issues. Furthermore, the tensions bring to the surface the contradictions of China’s rise in a mirrored version, a kind of upside-down world in allusion to the series Stranger Things. That is, China’s economic statecraft may be affected by unprofitable projects and may jeopardize the national security of its neighbors; the win-win motto can turn into a win-lose game because of socio-environmental impacts and asymmetric interdependence; and the “peaceful rise” may be overshadowed by the “China threat” due to military modernization and to Chinese assertiveness in territorial disputes.

Isolating variables and identifying causal links are difficult tasks, but a historical glance may reveal some clues about this process. Based on the Philippines’ presidential mandates we perceived how the country moved from a cooperative relationship with China (with Gloria Macapagal Arroyo) to a conflictive one (with Benigno Aquino III) and from that to a new friendly dynamic (with Rodrigo Duterte) that fits into the “conciliation-submission” analogy of the tributary

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4 Interview conceded during the author’s fieldtrip to Southeast Asia in October and November, 2017.
game. And comprising all these mandates from 2001 up to date (2019), there was a gradual process of mutual learning between the two countries’ bureaucracies and China’s regional rise has built new core-periphery relations with its neighbors (including the Philippines).

The elements of rapprochement in Arroyo’s two mandates (2001-2010) are notorious. China’s peaceful rise motto was reinforced by joint military exercises with Manila, the signing of a bilateral memorandum of understanding (in 2004), the first official visit of a Philippine warship to Beijing and China’s multilateral adherence to the Code of Conduct in the SCS in 2002. Nevertheless, president Arroyo put into practice a policy of equi-balancing between China and US (Castro, 2016: 139). She visited Washington in November 2001, received George W. Bush in 2003 and strengthened security cooperation in the context of the War on Terror: the US military assistance rose from US$38 million in 2001 to US$114 million in 2003; the country was granted, along with Thailand, the status of major non-NATO ally and became a center of logistics operations for the US military; moreover its armed forces received training to fight the guerrillas in Mindanao (CHIANG, 2017: 11). Due to the kidnapping of a Filipino worker in Iraq in 2004, Angelo de la Cruz, Arroyo chose to withdraw the supporting troops in the American occupation in Iraq, shaking relations with the US, but only temporarily.

China’s win-win motto was reinforced by the prolific presidential diplomacy between Hu Jintao and Arroyo, coined as the “golden age of partnership” and materialized in the subsequent signing of 83 bilateral cooperation agreements. The economic statecraft was reinforced in two ways: bilateral trade grew exponentially with a considerable Philippine surplus; and Chinese companies invested about three billion dollars in the Philippine energy sector between 2008 and 2010 (AEI; CLEMENTE, 2016: 222).

The table below presents the main topics of bilateral relations through the lenses of China’s vectors of external projection. For the most part of the 2000s the interaction leaned toward the cooperation pole, as Beijing adopted a more conciliatory stance and Manila a more submissive one. Because these are only ideal concepts, it does not mean that the Philippines were totally obedient to China – actually, Arroyo adopted a wise equi-balancing foreign policy between US and China as aforementioned. The point is that both countries developed a “mutual learning process” made possible by Manila’s openness to engage Beijing

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5 There are divergences about these numbers. The USAID website displays a change from US$10 million to US$55 million.
and by China’s charm offensive in Asia, which took shape precisely in the 2000s. In broad terms, the SCS issue was not a top priority in the bilateral agenda: it was neither used to promote “border harassment” by the Philippines nor used to promote “punitive missions” by China.

**Figure 3 – Arroyo and China: cooperation and equibalancing in the “Golden Age of Partnership” (2001-2010)**

<table>
<thead>
<tr>
<th>Security/Strategic</th>
<th>MOU (2004); JME’s with China; Philippine Vessel visits Beijing; US cooling in 200 (Angelo de la Cruz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbolic – Institutional</td>
<td>Cooperation projects (83 projects); Presidential diplomacy: “Golden Age of Partnership”</td>
</tr>
<tr>
<td>Political Economy</td>
<td>Chinese FDI rises (2008 onwards); Philippine positive bilateral trade with China</td>
</tr>
<tr>
<td>South China Sea</td>
<td>Note top priority issue until 2009, when both countries officialized their claims on SCS</td>
</tr>
</tbody>
</table>

Source: elaborated by the author, 2019.

The golden era of partnership showed signs of exhaustion in 2009: President Arroyo was linked to corruption allegations involving Chinese investments. Furthermore, in March 2009 the president approved the Philippine Archipelagic Baselines Law, which defines the territorial jurisdiction of the country and includes the Scarborough Reef. In May 2009 the Chinese delegation submitted to the UN the 9-dash line, Beijing’s official demand on SCS, which overlaps the 200 miles exclusive economic zone of many countries in SE Asia. As a result, the number of bilateral agreements fell abruptly and bilateral relations have cooled.

These facts changed the stances in the tributary game: Manila moved from “submission” to the “border harassment” stance and Beijing from the “conciliatory” to the “punitive mission” one. This trend gained *momentum* with the succeeding president, Benigno S. Aquino III (2010-2016), who came to power with a campaign of criticism on the rapprochement with China. It is impossible to infer which side took the “first move” and it is sufficient to assume that both sides embarked in a new phase of mutual misperceptions and hostilities that were channeled to the SCS.

This process was developed in three phases: first with the sparse clashes between navies and fishermen from both countries in 2011. Second, with the rise of tensions that culminated in a maritime standoff in Scarborough School.
(April, 2012), which affected the multiple facets of the bilateral relations and pushed Aquino to institute arbitral proceedings against China in the PCA in January, 2013 (PCA). And third, the withdrawal of Philippine forces from Scarborough and the subsequent Chinese occupation of several SCS elevations (including Scarborough), sparking a process of construction works of civil and military facilities in these islands from 2013 onwards.

The table below describes the main events and characterizes them according to China’s vectors of external projection.

Figure 4 – Philippines-China escalation in the South China Sea

<table>
<thead>
<tr>
<th>Date</th>
<th>Description of event</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb, Mar, Oct, 2011</td>
<td>Sparse clashes between navies and fishermen</td>
<td>Strategic and Economic Statecraft</td>
</tr>
<tr>
<td>April, 8, 2012</td>
<td>Scarborough standoff between navies</td>
<td>Strategic</td>
</tr>
<tr>
<td>April, 12, 2012</td>
<td>Hackers invade PH’s Universities websites</td>
<td>Symbolic-Institutional</td>
</tr>
<tr>
<td>April, 25, 2012</td>
<td>US-PH Joint Military Exercises</td>
<td>Strategic</td>
</tr>
<tr>
<td>May, 2012</td>
<td>China’s trade boycon</td>
<td>Economic Statecraft</td>
</tr>
<tr>
<td>May, 2012</td>
<td>China’s tourism boycon</td>
<td>Economic Statecraft</td>
</tr>
<tr>
<td>May, 2012</td>
<td>Mutual protests in each other’s Embassies</td>
<td>Symbolic-Institutional</td>
</tr>
<tr>
<td>May-August, 2012</td>
<td>China vetoes fishing activities in Scarborough</td>
<td>Strategic and Economic Statecraft</td>
</tr>
<tr>
<td>May-August, 2012</td>
<td>PH’s fishermen ignore the veto</td>
<td>Strategic and Economic Statecraft</td>
</tr>
<tr>
<td>June, 2012</td>
<td>PH forces retreat from Scarborough</td>
<td>Strategic</td>
</tr>
<tr>
<td>January, 2013</td>
<td>PH opens the case against China in the PCA</td>
<td>Symbolic-Institutional</td>
</tr>
<tr>
<td>April, 2014</td>
<td>PH-US sign the Enhanced Defense Cooperation Agreement (EDCA)</td>
<td>Strategic</td>
</tr>
<tr>
<td>May, 2014</td>
<td>China: Construction sites in Johnson Reef (Airstrip)</td>
<td>Strategic</td>
</tr>
<tr>
<td>April, 2015</td>
<td>China: Construction sites in Mischief Island</td>
<td>Strategic</td>
</tr>
<tr>
<td>September, 2015</td>
<td>China: Construction sites in Fiery Cross Reef (Airstrip)</td>
<td>Strategic</td>
</tr>
<tr>
<td>January, 2016</td>
<td>China: Submarine base in Mischief</td>
<td>Strategic</td>
</tr>
<tr>
<td>February, 2016</td>
<td>PH accuses China of building missile facilities in the SES</td>
<td>Strategic</td>
</tr>
</tbody>
</table>

Source: elaborated by the author, 2019.
Chan (2016) infers that Beijing’s counterparts in the maritime disputes “face a trade-off between promoting thriving economic relations with China and contesting vigorously its sovereignty claims”. The asymmetric economic interdependence induces the peripheral country to seek a separation between economic and political affairs, while the stronger party usually mixes them because it has more resources to act on both boards.

Chan (2016) argues that China adopts a “reactive assertiveness” in the SCS: “It has shown a general inclination to postpone confrontation unless it perceives the other party in a dispute to have taken unilateral actions to breach or threaten the status quo”. This concept fits China’s “conciliatory” stance in the tributary game, when cooptation is less costly than coercion. But in 2011-2015 China was far from a conciliatory power: it used economic and strategic tools as punitive missions to push the Philippines to the “submission” stance. And only in 2016, with a more favorable government in Manila, did Beijing switch to the reactive assertiveness.

If we examine this process through China’s three vectors of foreign projection we will find evidences of their “mirrored versions”. The peaceful rise motto was jeopardized by its mirrored version – the China threat -, as Beijing started its assertive policy in the SCS generating friction between Philippine and Chinese navies on the oil exploration in Reed Bank and harassing Filipino fishermen around the Scarborough reef. After the first clashes in 2011 and 2012, Aquino launched a legal challenge to China’s demand in the SCS (in January, 2013) at the Permanent Court of Arbitration, based on the United Nations Convention on the Law of the Sea (UNCLOS) and cooled the bilateral relations (CHIANG, 2017).

Pushing even harder to the “border harassment” stance, Aquino found US support with Barack Obama’s Pivot to Asia policy, which sought to strengthen ties in the region to counterbalance China. The parties reached the Framework Agreement on Enhanced Rotational Presence and Agreement in 2012 and the Enhanced Defense Cooperation Agreement (EDCA) in 2014 (AMADOR III, MERCED, TEODORO, 2015). This sequence of agreements can be seen as the update of the Mutual Defense Treaty of 1951, for it grants access to military facilities in the Philippines for US troops in return of modernization, maintenance and transfer of supplies to local forces and aid to Filipino Coast Guard in maritime surveillance (CHIANG, 2017; CASTRO, 2016). Furthermore, Aquino also strengthened military cooperation ties with Japan, signing maritime security agreements and carrying out the purchase of its vessels, naval technology and supplies (CASTRO, 2016).
The chart below demonstrates the sharp rise in US’ aid to the Philippines both in economic and military sectors.

**Chart 1 – Philippines: US Financial Aid (in US$ millions, from 2001 up to 2016)**

![Chart 1](chart-image-url)

Source: explorer.usaid.gov.

This move may be perceived as a threat by China for three reasons: first, for the quasi-permanent return of American forces in the Philippines. Second, because Japan’s influence in the Philippines also grew. And finally because the concept of rotating US forces in the Philippines could serve as an example for other countries that feel threatened by China, such as Vietnam and Malaysia. In short, after a decade of Arroyo’s equi-balancing with a smart move towards China, Aquino moved away from Beijing and strengthened ties with US.

The win-win game was also affected by its win-lose mirrored version. The number of cooperation projects fell from 52 (in 2005-2010) to 9 (in 2011-2016) and the presidential diplomacy of Xi Jinping-Benigno Aquino did not replicate the golden age of partnership of its predecessors. Instead of official visits, both leaders met only briefly at the occasion of the APEC Summit, in 2014 in Beijing, when only vague words on “finding constructive ways to resolve the SCS dispute” were stated (ARCANGEL, 2014). Besides, Aquino also cancelled an official visit to China in 2013, during the peak of maritime tensions.

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6 This data was collected by March, 2018.
Finally, Beijing used its economic statecraft to pressure Manila’s defiant posture in three ways. First, the number and value of China’s FDI projects fell (Table 7). Second, there was a tourism boycott applied by Chinese agencies concerned with the safety of their citizens (Agbayani, 2012). And third, China started a trade war against Philippines’ exports of tropical products, especially bananas. Through non-tariff barriers, the Chinese authorities slowed inspections of perishable goods from the Philippines in 2012 such as bananas, papayas, mangoes, coconuts and pineapples, sending Manila a message without seriously damaging the Philippine and Chinese economies (ASIA SENTINEL, 2012; STRATFOR, 2012). Instead of harming strategic sectors such as electronics, Beijing used a limited “punitive mission” to press the Philippine “border harassment” in the SCS. Subsequently, since CAFTA came into force in 2010, the Philippines trade with China turned into negative balance and the deficit faced a sharp fall after 2012.

The table below presents the main topics of bilateral relations during Aquino’s administration. In the three axis of analysis there was a move from cooperative to conflictual stance. And if the SCS issue was put aside in the “Golden Age of Partnership”, it was turned into the focal point of distrust and mutual hostilities.

**Figure 5 – Aquino and China: from cooperation to escalation (2010-2016)**

<table>
<thead>
<tr>
<th>Security</th>
<th>• SCS Clashes;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Permanent Court of Arbitration (PCA)/UNCLOS litigation;</td>
</tr>
<tr>
<td></td>
<td>• US Rapproachment (EDCA);</td>
</tr>
<tr>
<td></td>
<td>• Strategic cooperation with Japan.</td>
</tr>
<tr>
<td>Symbolic-Institutional</td>
<td>• Decline of cooperation projects;</td>
</tr>
<tr>
<td></td>
<td>• Cooling of presidential diplomacy. Cease of official visits.</td>
</tr>
<tr>
<td>Political Economy</td>
<td>• Decline of FDI projects;</td>
</tr>
<tr>
<td></td>
<td>• Trade boycott;</td>
</tr>
<tr>
<td></td>
<td>• Tourism boycott;</td>
</tr>
<tr>
<td></td>
<td>• Slight commercial deficit (cafta came into force in 2010).</td>
</tr>
<tr>
<td>South China Sea</td>
<td>• Escalation of clashes between Marines and fishermen of both countries;</td>
</tr>
<tr>
<td></td>
<td>• Litigation at the Permanent Court of Arbitration.</td>
</tr>
</tbody>
</table>

Source: elaborated by the author, 2019.

After the escalation in 2011-2013, there was a turning point, when the costs of the “border harassment-punitive mission” instance were higher than its benefits. Of course, the facts on the ground changed: since the Scarborough standoff, China
took gradual control of many islands and islets in the SCS. But the gains in the security dimension had a price – the peaceful rise and the win-win mottos were stained as the country faced a defeat at the Permanent Court of Arbitration (PCA), practiced an intense bullying against Philippines’ Navy and fishermen, and used its economic statecraft to press Aquino’s administration. As for the Philippines, despite the symbolic triumph at the PCA and the “return” of American troops under the EDCA, the economy suffered with the Chinese boycott in trade, investments and tourism. In other words, Beijing used economic and strategic “punitive missions” that eventually coerced Manila to alter its stance from “border harassment” to “submission”, although it also meant some symbolic and even strategic blowbacks for China, such as the PCA case and the US “return” to Asia.

The tributary game changed to the cooperative pole when Rodrigo Duterte became the new president of the Philippines in July, 2016: Manila leaned in favor of a rather submissive stance and Beijing to a conciliatory one. Again, it is not our goal to identify what exactly triggered this process and it is sufficient to assume that the learning process of an intense asymmetric relation in the recent decades played a role with mutual signs of rapprochement.

The table below presents the main topics of bilateral relations during the first years of Duterte’s administration.

**Figure 6 – Duterte and the “China´s pivot” (2016-)**

| Security                  | • Dubiety towards US: end of JME but keeps the military cooperation;  
|                          | • China’s Navy visits Davao City;  
|                          | • Duterte halts construction work in Sandy Cay;  
|                          | • Military cooperation with US and China (fight against Abu-Sayyaf). |
| Symbolic-Institutional   | • Presidential diplomacy: Pivot to China, ”New Alliance”, BRI, disagreement with Obama;  
|                          | • PCA dismiss. |
| Political Economy        | • Chinese FDI growth: diversification of projects (infrastructure, tourism, services);  
|                          | • The Philippines joins the AIIB;  
|                          | • Sharp trade deficit with China. |
| South China Sea           | • De-escalation of tensions in the SES. |

Source: elaborated by the author, 2019.

Despite the didactic separation, these processes are all interconnected. It is possible that the wind of change came with Duterte’s speech act: he declared an
alignment of another ideological type with China and Russia and promoted his “pivot to China” motto (BLANCHARD, 2016; HEYDARIAN, 2017). The presidential diplomacy between Duterte and Xi Jinping seems to retake the Arroyo-Jintao’s “Golden Age of Partnership” given the resumption of official visits, the promise of new cooperation agreements, the Philippines’ accession to BRI and the slight cooling between Manila and Washington. However, the historical conjuncture in 2016 is much different from that of the 2000s, so now we shall examine the ruptures and continuities.

Duterte’s rhetorical twist matches with China’s win-win motto, economic statecraft and peaceful rise, but would be just empty words if it was not accompanied by symbolic and material changes. The first twist was the timid reception of the favorable decision granted by the PCA on the SCS. The decision came two months after Duterte’s election, in July 2016, who had adopted a much more moderate speech than his predecessor, defending a negotiated resolution with China and a possible agreement for the joint exploration of resources in the SCS.

Another diplomatic twist came with the jolting of the Manila-Washington relations in the early months of Duterte’s administration, when the president declared that he would put an end to the joint military exercises and would prohibit the US Navy to use Philippine ports for operations in the SCS (CHIANG, 2017: 18). In addition, the president made some controversial statements: he personally offended President Obama during the ASEAN Summit in Laos, in May 2016, and in another occasion he stated that the Philippines would be divorcing the US and forming an alliance of a different ideological line with China and Russia. Now, with Trump in the White House, Duterte seems to be adopting a more moderate approach due to the US aid in the struggle against Abu-Sayyaf and to Trump’s blind eye with regards to alleged human rights violations of Duterte’s War on Drugs (KURLANTZICK, 2017). It is not a coincidence that the US’ military aid to Manila kept growing in 2016 in spite of a decline in economic aid (Chart 1).

On the other hand, the Manila-Beijing military cooperation also boomed during the last years, when the Chinese promoted their military diplomacy in many ways. China sent $16 million worth of rifles and ammunition, and a donation of almost $300,000 for the rehabilitation of Marawi, a city in Mindanao threatened by Abu-Sayyaf guerrilla in 2016-2017 (CHAVES, 2017). The Philippines-China Annual Defense Security Talks (ADST) (PARAMESWARAN, 2017a), created in 2005 and halted in 2013, was resumed in 2017. Three ships from the PLA’s Navy Task Group 150 were part of a three-day visit at Sasa Wharf in Duterte’s hometown of Davao...
City from April 30 to May 2, 2017 (PARAMESWARAN, 2017b). Duterte stopped construction work on a newly formed sandbar (Sandy Cay) in the disputed South China Sea after China protested in November, 2017 (GOMEZ, 2017). Thus, in the strategic arena, Duterte seems to be playing an equi-balancing policy between the great powers, trying to find a middle ground between the submissive and the hostility stances towards China, although the historical ties with US are still more relevant.

China’s economic statecraft gained a new momentum with Duterte. The main indicators are the foreign direct investment projects over US$ 100 million. The table below shows that, coincidentally, administrations closer to China were the recipients of larger investment flows. Arroyo’s second term presented considerable numbers, with five projects amounting to a total of US$ 3.3 billion. The Aquino government presented a fall, with three projects for a total of US$1.9 billion. And after a little more than one year the Duterte’s government has already accounted for eight projects worth a total of US$ 4.2 billion.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of projects (in US$ millions)</th>
<th># of projects</th>
<th>President</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1,580</td>
<td>1</td>
<td>Arroyo</td>
</tr>
<tr>
<td>2009</td>
<td>$690</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$1,060</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$350</td>
<td>1</td>
<td>Aquino III</td>
</tr>
<tr>
<td>2013</td>
<td>$600</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$1,000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$3,340</td>
<td>6</td>
<td>Duterte</td>
</tr>
<tr>
<td>2017</td>
<td>$910</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,530</strong></td>
<td><strong>16</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: American Enterprise Institute.

Another characteristic of Chinese FDI in the Philippines is the gradual reduction of the share dedicated to the energy sector, particularly coal (from 96% to 70%). This is due both to Beijing’s effort to encourage domestic renewable energy market

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7 This table presents only projects that represent more than US$ 100 million.
and to the opportunities offered by Duterte’s government in areas such as tourism, construction and transportation, which answer for the other 30% not linked to energy. And this trend seems to gain momentum as the Senate of the Philippine ratified the Article of Agreements of the Asian Infrastructure Investment Bank in December, 2016 (RAPPLER, 2016).

Table 3 – China’s FDI in energy/total China’s FDI (in US$ million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FDI in energy</td>
<td>$3.220</td>
<td>$1.600</td>
<td>$2.990</td>
</tr>
<tr>
<td>Total FDI</td>
<td>$3.330</td>
<td>$1.950</td>
<td>$4.250</td>
</tr>
<tr>
<td>Energy/total FDI</td>
<td>96%</td>
<td>82%</td>
<td>70%</td>
</tr>
</tbody>
</table>


The tourism sector was especially reinvigorated after the de-escalation in the SCS. China became the second source of tourists for the Philippines after South Korea, surpassing the US. New direct flights from Xiamen (Fujian) to Puerto Princesa (Palawan) were inaugurated in February 2018 (UNITE, 2018). Only in 2017, the Philippines received a total of 968,000 Chinese tourists, an increase of 43% compared to the previous year (CHI, 2018).

With regards to trade balance, the dynamics are different. The chart below presents the Philippines’ balance of trade with China. Until 2004, the balance was close to zero, but from 2005 to 2010 the country presented a surplus (except for 2009). China’s demand for primary products grew and was undoubtedly one of the factors that attracted Arroyo’s administration by enhancing exports of nickel, copper, oil and coal, but also parts of electronic products such as optical readers and conductors. China’s Early Harvest program\(^8\) in 2005 also contributed, though modestly, to increase exports of tropical fruitlike bananas, mangoes, papayas and vegetable oil.

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\(^8\) The Early Harvest Program is a free trade arrangement under the framework of China-ASEAN Free Trade Area (FTA) and is designed to accelerate the implementation of China-ASEAN Economic Cooperation Framework Agreement. By reducing the tariffs of some products, agricultural products in particular, including livestock, meat, fish, dairy products, live plants, vegetables, fruits and nuts, the ASEAN countries can attain early access to China’s huge domestic market prior to the establishment of the FTA (Embassy of the People’s Republic of China in the Republic of the Philippines, 2004).
Sino-Philippine relations as the modern tributary game: moving beyond the South China Sea disputes

However, trade balance was reversed since China-ASEAN Free Trade Agreement (CAFTA) came into force in 2010. The sharp fall was mainly due to the flood of Chinese products like electronics, toys, textiles, footwear and diesel fuel – but the geopolitical tension in 2012-2015 has also influenced the decrease in the Chinese imports (CLEMENTE, 2016, 217) mainly with the non-tariff barriers for tropical products. In 2016-2017 the sharp decline was softened, but remained significant. As a consequence, China surpassed the US and Japan as the main exporter to the Philippines (chart below).

Chart 3 – Relative share of the three main exporting countries to the Philippines


This data was collected in March, 2018.

The full data can be accessed at tradedata.org.
Sino-Filipino economic ties were strengthened in these two years of Duterte’s administration. The three vectors of China’s projection were activated in face of Manila’s willingness to seek economic benefits and put aside the SCS dispute. China’s economic statecraft and win-win motto gained sympathy in the Philippines with booming trade, diversification of FDI, influx of tourists and adherence to AIIB. In sum, Manila adopted a submissive stance towards the SCS as Beijing displayed its conciliatory face, which is expressed in economic incentives that keep the main military threat (the US) at bay and reproduces the logic of the tributary system.

However, the peaceful rise motto is constantly overshadowed by its inverse concept of “China threat”. If Chinese military diplomacy prospered with Duterte, it was only possible because the PLA Navy secured de facto control of many positions in the SCS in previous years. In addition, Duterte’s pivot to China was motivated not only by the expectation of economic gains, but also by the mutual learning process of the previous administrations, when Aquino exposed Beijing’s geopolitical ambitions and Arroyo fostered vectors of communication and cooperation with China.

**Final considerations**

Two conjunctural processes shaped the Sino-Philippine tributary game: the growing complexity of China’s vectors of external projection and the mutual learning process. Naturally, other factors are also relevant, such as the domestic politics in both countries and the US influence in East Asia. However, this study defined the first two variables as more relevant.

China’s vectors of external projection have progressed considerably since 1997 and economic statecraft and the win-win motto became more complex. The gravitational power the Chinese exercised in Arroyo’s Philippines, which was halted during Aquino’s administration tends to be resumed on a larger scale with Duterte. On one hand, this also meant more investment, more tourists and more financial services from China. On the other, Manila faces a colossal deficit in bilateral trade since CAFTA came into force in 2010 and as China became a major trading partner it may represent a stronger pressure on the Philippines’ Balance of Payments.
China’s strategic projection in SE Asia gained *momentum* with the shift to the expansive naval paradigm and displayed its two faces. The peaceful rise was enhanced by China’s accession to multilateral forums and to a memorandum of understanding, military diplomacy, joint military exercises and cooperation in the fight against terrorism. In contrast, China’s threat was evident in the escalation of tensions in the SCS, in the very shift of the military paradigm and in the huge amount of military investment.

Faced with *de facto* Chinese control of many of the elevations in the SCS and the economic gains that can be earned by the Philippines, the tendency is for the tributary game to return to the pole of conciliation-submission supported by the mutual learning process and the inevitable economic and diplomatic gravitational pull which China is exerting in Asia. In the words of Steve Chan (2016), “increasing economic interdependence and an emphasis by almost all the region’s governing elites [in East Asia] work to restrain China’s maritime disputes from getting out of hand”.

In the scenario of a *de facto* Chinese control of many positions in the SCS and the expectation of economic gains by the Philippines, it is more likely that the tributary game shall return to the conciliation-submission pole consolidated by the mutual learning process and by the inevitable economic and diplomatic gravitation of Asian countries around China. Furthermore, it also means that US might face a decline of its influence in the Philippines – and in Southeast Asia in general.

As Professor Lucio Pitlo¹¹ (from the University of the Philippines) defined to me in an interview (in November, 2017), it is a matter of “managing the disputes” rather than “solving them”. And as Professor Alan Chong¹² (RSIS, Singapore) stated to me also in an interview (in October, 2017), there is no reason for a permanent closure in the SCS: it is more likely that it will remain an open issue because Asians might even prefer this way. In the end, we turn to the first words of this article to infer that the “lines in the water” in the SCS are just like “lines in the sand”: fluid, dynamic and the product of political, social and economic practices.

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¹¹ Interview conceded during the author’s fieldtrip to Southeast Asia in October and November, 2017.
¹² Interview conceded during the author’s fieldtrip to Southeast Asia in October and November, 2017.
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