



Understanding Alignment Decisions in Southeast Asia: A Review of U.S.-China Competition in the Philippines

BY
WILLIAM PIEKOS





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Executive Summary

William Piekos

The United States and China are engaged in an ongoing struggle for the alignment commitments of Southeast Asian governments, employing a variety of measures to entice, cajole, and threaten states to alter their policy behavior. Caught between this competition, countries in Southeast Asia weigh their alignment options in search of the strategy viewed by the ruling regime as most likely to ameliorate risk and increase its prospects for survival. While nonalignment through hedging is a sought-after option, most often smaller states align with the major power that offers inducements (over coercion), as the material and diplomatic benefits bolster regimes' claim to performance-based legitimacy and its domestic stability and security.

A review of the Philippines' geopolitical positioning during the Benigno Aquino III (2010–2016) and Rodrigo Duterte (2016–2022) administrations reveals that inducements and coercion have played a significant role in the country's alignment decisions. During the Aquino administration, coercive measures taken by China in the South China Sea and continued security and diplomatic inducements from the United States underscore the respective approaches of Beijing and Washington. The candidacy and election of Duterte, however, switched this dynamic, and the new president courted and received promises of Chinese economic assistance to support his domestic growth strategy and downplayed U.S. ties in pursuit of a more independent foreign policy. In the end, continued Chinese provocations in the South China Sea and domestic security challenges led Duterte to call upon U.S. assistance once again, and Duterte was unable to initiate a full reconsideration of Manila's position. Still, his strategic flirtation with China underscores the importance of performance-based legitimacy and the impact of inducements and coercion in shaping the foreign policy choices of smaller states.

The findings of this study suggest that Washington's focus on great power competition and sanctions handicaps U.S. foreign policy in Southeast Asia and beyond. The Philippines' leaders focused on securing their domestic political prospects and legitimacy; criticism and coercive measures were largely ineffective for the United States or China in gaining influence over policy decisions. Washington should more often consider the promise and provision of inducements—while remaining sensitive to human rights concerns, governance issues, and liberal norms—to support the needs of Southeast Asian states, incentivize more transparent behavior, and increase the likelihood that these states will support U.S. interests in the future.

Introduction

The alignment decisions of smaller states have great importance for major powers and smaller states alike, with the potential to impact any number of issues, from security arrangements and economic agreements to diplomatic treaties and humanitarian operations. Yet for the major powers, alignment with smaller states is just one of many ways in which they can cultivate a favorable international environment. For the smaller states, these alignment decisions carry far more significance, with potentially decisive domestic consequences. This dynamic is perhaps most apparent in Southeast Asia, where Beijing is seeking to alter the alignment decisions of countries in its near-abroad and pushing up against the interests of the United States and other regional powers. China's aspirations in this regard—and the resulting competition between Washington and Beijing—has been evident in Southeast Asia for some time, and the United States and China have engaged in an ongoing struggle for the alignment commitments of Southeast Asian governments, employing a variety of diplomatic, economic, and security measures to entice, cajole, and threaten states to alter their policy behavior.

States in the region, as elsewhere, have much to gain—and much to lose—from alignment. The benefits can be considerable, but so too can be the costs: the loss of policy autonomy, demands for support from the major power, and diminished ties with the patron's adversaries. Choosing a side entangles a smaller state with a major power, which may not care to consider the plight of its smaller partner. Even not choosing—through a strategy of nonalignment through hedging—comes with its own risks, as the smaller state is potentially left to fend for itself should it find no partners with converging interests to come to its aid.

How do smaller states make alignment decisions, and what factors drive these choices? I argue that U.S. policymakers should pay closer attention to the ways in which the provision of inducements and use of

coercion play a role in the alignment decisions of smaller states. In periods of contested alignment—as seen broadly in Southeast Asia between the United States and China—political regimes are more likely to align with the major power that offers inducements over coercion. These material and diplomatic benefits bolster the survival prospects of the ruling regime and legitimate its claims to power. When both major powers offer inducements or coercion in similar measure, smaller states also have the opportunity to employ a strategy of nonalignment through hedging to maintain greater policy autonomy.

In the Philippines, the government under Rodrigo Duterte (2016–2022) sought to buck the country's close historical ties with the United States, introducing the possibility that Washington could squander decades of security cooperation, lose the support of an important regional partner with maritime claims in the South China Sea, and leave China to fill the country's infrastructure needs. Despite a U.S.-Philippines mutual defense treaty and long-standing economic ties, Duterte pushed the country closer to China, calling Beijing a "good friend" and declaring in 2016 it was "time to say goodbye to Washington";¹ he even downplayed the Philippines' 2016 triumph in its arbitration case against China in the South China Sea.² However, early promises of Chinese investment in and loans to the Philippines, in part through Belt and Road Initiative (BRI) projects, proved elusive, and Beijing did not gain as much influence in Manila as it hoped.³ Reflective of Duterte's inconsistent stance on Manila's position between the great powers—and ultimately his decision to remain in alignment with the United States—his government announced the termination of the Philippines–United States Visiting Forces Agreement (VFA) on February 11, 2020; authorized two temporary extensions in June and November 2020—with government officials citing great power competition;⁴ and in August 2021 finally decided to keep the VFA.⁵

While the policy implications of this analysis are extensive, two takeaways deserve particular

¹ Derek Grossman, "China Refuses to Quit on the Philippines," *The Diplomat*, July 22, 2020, <https://thediplomat.com/2020/07/china-refuses-to-quit-on-the-philippines/>.

² Renato Cruz De Castro, "Explaining the Duterte Administration's Appeasement Policy on China: The Power of Fear," *Asian Affairs: An American Review* 45, no. 3–4 (October 2, 2018): 165–91, <https://doi.org/10.1080/00927678.2019.1589664>.

³ "Philippine President Duterte Has Shown How Not to Handle China," *Economist*, July 31, 2021,

<https://www.economist.com/leaders/2021/07/29/philippine-president-duterte-has-shown-how-not-to-handle-china>.

⁴ Derek Grossman, "China Has Lost the Philippines Despite Duterte's Best Efforts," *Foreign Policy*, May 3, 2021.

⁵ Pia Ranada, "Duterte Says US Vaccine Donations Led Him to Keep VFA," *Rappler*, August 3, 2021, <https://www.rappler.com/nation/duterte-says- united-states-vaccine-donations-decision-keep-vfa>.

mentions. First, U.S. policymakers would do well to avoid framing policies in terms of great power competition. States in Southeast Asia do not want to choose between the United States and China. Instead, Washington should present U.S. policies not in opposition to China, but as alternatives to Chinese overreach (especially related to economic projects) and with the aim of benefiting the smaller states. Importantly, at times this will mean these states will choose to partner with Beijing; instead of berating those states, Washington should seek to understand the smaller states' priorities and assess what the United States can do to meet those needs, as appropriate.

Second, inducements are a valuable tool in gaining influence and alignment, and U.S. policymakers should invest time and resources in issues of importance to smaller states to increase the likelihood that these states will support U.S. interests in the future. Despite recent focus on Chinese coercion, the United States has used sanctions extensively as an instrument of statecraft; while such restrictions certainly should continue to play an important role in U.S. foreign policy, particularly in dissuading and punishing democratic backsliding and human rights abuses, inducements can be used to incentivize more transparent and liberal behavior with the promise of economic development and other forms of engagement.

In this article, I begin by reviewing alignment and hedging and examine alignment patterns in Southeast Asia. I then present my theoretical framework, focused on inducements and coercion, and offer a brief discussion of these dynamics in the region amidst U.S.-China competition for influence. I follow this broad discussion with a case-study analysis of alignment decisions in contemporary Philippines, focusing on the administrations of Benigno Aquino III (2010–2016) and his successor, Duterte. I conclude with an examination of the

implications of these findings for great power competition and U.S. foreign policy.

Alignment and Hedging: A Brief Introduction

For major powers, alignment commitments serve as an essential building block of geopolitical influence and a component of state power that is perhaps more easily established, adapted, or otherwise altered than traditional conceptions, such as national resources, military capabilities, and economic prowess. In gaining the alignment commitments of smaller states, major powers can influence regional and international conditions to their advantage in numerous ways, such as through voting in the United Nations, pushing for one-sided terms on economic deals, or gaining access to military facilities.

Existing scholarship has tended to focus on great powers and how they leverage alliances and alignment with smaller states to advance their own interests.⁶ This concentration on larger powers, given their size and impact on the international stage, is understandable; China's rise and the mounting importance and contentiousness of U.S.-China have only heightened this attention on great power dynamics. This emphasis, however, has come at a cost—an inattention to the calculations of smaller states and their agency in courting, accepting, and rejecting alignment arrangements with major powers.⁷ In a connected and globalized world, the alignment decisions of smaller states can have a significant impact on the overall position and capabilities of major powers as well as on the fates of the smaller states themselves.

For these smaller states, the decision to align with a major power represents a trade-off between the support and assistance of a single major power and autonomy over policy decisions. When confronted by one major power, smaller states attempt to negotiate

⁶ Realism, power transition theory, and arguments over polarity all privilege the role of great powers as the most influential in the international system. Kenneth Waltz, *Theory of International Politics* (Long Grove, IL: Waveland Press, 1979); Stephen Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987); Randall Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," *International Security* 19, no. 1 (1994), <https://doi.org/10.2307/2539149>; Ronald Tammen, "The Organski Legacy: A Fifty-Year Research Program," *International Interactions* 34, no. 4 (October 2008): 314–32, <https://doi.org/10.1080/03050620802561769>; Michael Beckley, "The Power of Nations: Measuring What Matters," *International Security* 43, no. 2 (November 2018): 7–44, https://doi.org/10.1162/isec_a_00328; William C. Wohlforth, "Unipolarity, Status Competition, and Great Power War," *World Politics* 61, no. 1 (January 2009): 28–57, <https://doi.org/10.1017/S0043887109000021>. I intentionally distinguish

between alignment and alliance, with the latter being a strong expression of the former. In short, an alliance is a formal treaty that is a security commitment between two states, whereas alignment signifies a broader relationship impacting not only security but also economic and diplomatic policies.

⁷ I define "smaller states" in broad terms by their relative lack of power, capabilities, and economic potential as related to larger powers in the international and regional systems that seek influence over their policy behavior. For discussions about definitions and delineations of states in the international system, see Robert O. Keohane, "Lilliputians' Dilemmas: Small States in International Politics," *International Organization* 23, no. 2 (1969): 291–310, <https://doi.org/10.1017/S002081830003160X>; Steven E. Lobell, Neal G. Jesse, and Kristen P. Williams, "Why Do Secondary States Choose to Support, Follow or Challenge?" *International Politics* 52, no. 2 (February 2015): 148–49, <https://doi.org/10.1057/ip.2014.50>.

this bilateral relationship along a continuum of depth of alignment—spanning from nonalignment to tight alignment (alliances)—in order to safeguard their security and to gain economic and military support commensurate with the depth of the relationship, while also preserving as much policy independence as possible.⁸ Signaling alignment, however, comes at a cost to the smaller state’s autonomy, as that state is less able to pursue security policies independent of the major power, can become entangled with the major power, and is likely required to make policy concessions.⁹ To varying degrees, a preference for policy autonomy outweighs the benefits of alignment for smaller states, though power and size asymmetry make the prospects of successful resistance challenging in the face of a single major power determined to exert influence.

Over the past few decades, with increasing frequency smaller states have been faced with multiple major powers competing for alignment simultaneously. These periods of contestation between multiple major powers over a smaller state’s alignment commitment increase the leverage and agency of that state. This unique position is captured in part by the concept of hedging—smaller states will pursue a policy through which they can avoid clear alignment with any single power and create uncertainty over their position vis-à-vis the major powers.¹⁰ This strategy has received much attention as a policy employed by smaller states to manage China’s rise and America’s perceived decline.¹¹

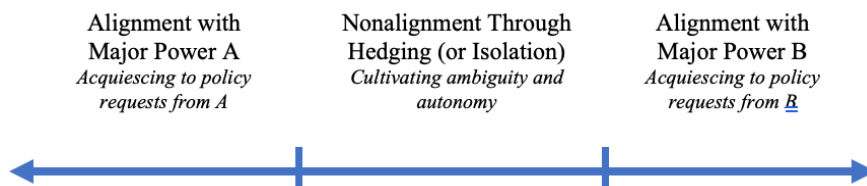


Figure 1: Simplified Alignment Choices of Smaller States

While hedging can offer a stable equilibrium, structural developments—in particular the waxing

and waning of regional major powers—and domestic events such as regime change, natural disasters, or humanitarian crises within the smaller states conspire to make hedging a burdensome, if still feasible, strategy in the long run. In such an uncertain environment, these states must decide whether it is in their best interests to align with a major power. Traditional answers to questions of alignment and alliance focus on power or threat to explain the alignments of smaller states.¹² While these factors serve as the foundation of any alignment decisions, balancing and bandwagoning focus only on these traits (i.e., power and capabilities) of the major powers; in these explanations, smaller states are largely considered at the mercy of the structural constraints imposed upon them by more powerful players in the international system. Moreover, these theories emphasize bilateral relations between a major power and a smaller state and not the larger context in which these relations are operating. If both the United States and China are perceived as threatening to a smaller state, is balancing still a feasible strategy? The delicate assessment required of the smaller state between two or more major powers seeking influence, or the plausible choice between hedging and alignment, has received relatively less attention.

Of final note, most discussions of alignment privilege military and security considerations to the exclusion of diplomatic or economic factors.¹³ While state-based security threats and wars deserve special attention, smaller states often have more immediate concerns and choose alignment strategies to pursue aims other than to guarantee victory in a conflict scenario.¹⁴ This is even more true of ruling regimes, for whom expulsion through invasion is usually a distant worry compared with more immediate concerns related to domestic growth and legitimation. Major powers are

⁸ John D. Ciorciari, *The Limits of Alignment: Southeast Asia and the Great Powers Since 1975* (Washington, DC: Georgetown University Press, 2010). In Ciorciari’s formulation, this continuum includes limited alignment as well.

⁹ Darren Lim and Zack Cooper, “Reassessing Hedging: The Logic of Alignment in East Asia,” *Security Studies* 24, no. 4 (October 2, 2015): 696–727, <https://doi.org/10.1080/09636412.2015.1103130>. In the most extreme case, this entanglement/alignment could require the smaller state to enter a war, which could result in the collapse of the state and failure of the regime.

¹⁰ Lim and Cooper, 709.

¹¹ For a sample of such works, see John D. Ciorciari and Jürgen Haacke, “Hedging in International Relations: An Introduction,” *International Relations of the Asia-Pacific* 19, no. 3 (September 1, 2019): 367–74,

<https://doi.org/10.1093/irap/lcz2017>; Lim and Cooper, “Reassessing Hedging”; Cheng-Chwee Kuik, “Variations on a (Hedging) Theme: Comparing ASEAN Core States’ Alignment Behavior,” in *Joint U.S.- Korea Academic Studies 2015*, ed. Gilbert Rozman, vol. 26 (Washington, DC: Korea Economic Institute of America, 2015); Olli Suorsa, “Hedging Against Over-Dependence on US Security: Thailand and Philippines” (S. Rajaratnam School of International Studies, December 29, 2016), <https://www.rsis.edu.sg/wp-content/uploads/2016/12/CO16317.pdf>.

¹² Waltz, *Theory of International Politics*; Walt, *The Origins of Alliances*; Schweller, “Bandwagoning for Profit.”

¹³ Lim and Cooper, “Reassessing Hedging,” 700.

¹⁴ Though this does not mean that the threat of war does not condition all other politics.

likewise concerned with domestic and international agendas short of military conflict and hope to garner influence to support their national interests on a wide range of issues, both security and economic.

In Myanmar, for example, the pre-2011 junta feared overreliance on China, and reforms in the first decade of the 2000s opened the door for a hedging strategy between China and the United States in 2011.¹⁵ The new government signaled its desire for a hedging strategy by suspending the Chinese-funded Myitsone Dam project, and this action represented the first in a series of policy behaviors that together represented a (temporary) shift in Myanmar's foreign policy away from alignment with Beijing.¹⁶ Rather than acquiescing to Chinese interests, successive governments—starting with a derivative government of the military junta and continuing through the leadership of Aung San Suu Kyi—sought to hedge between China and the United States. This move, however, had more to do with gaining policy autonomy and securing investment and aid than predicting the outcome of a U.S.-China conflict.

Great Power Competition in Southeast Asia

Competition for alignment is perhaps most evident—and has the most potential for global consequences—in the Indo-Pacific region, where China is gaining the regional and international clout to challenge U.S. influence, and relationships between major powers and smaller states in Southeast Asia help bring light to these dynamics, for good and ill. These smaller states have been buffeted by major power politics and a general indifference for their well-being and policy preferences over the past century, from World War II and the Second and Third Indochina Wars to the Asian Financial Crisis and the maritime disputes in the South China Sea. Washington and Beijing have been the primary culprits—though Japan, India, and Russia deserve mention as well—and these two major powers are likely to remain in positions of outsized power for decades to come. China is

certainly going nowhere in Southeast Asia, as “the tyranny of geography”¹⁷ ensures that Beijing will be a central figure in the region's development, an inescapable behemoth on its northern edge—and, steadily, in the South China Sea. The Chinese Communist Party (CCP) has overseen unprecedented domestic growth, and Beijing's regional and global aspirations have developed in tandem. The American presence in post-WWII East Asia, while a more recent historical occurrence, has played a pivotal role in the geopolitical development of the region. It was just over a decade ago that the U.S. secretary of state declared the twenty-first century to be “America's Pacific century”;¹⁸ while the sentiment remains prominent in the minds of U.S. policymakers, in practice, the perceived inconsistency of Washington's interest in the region since the end of the Cold War has raised questions about the American commitment to Southeast Asia.

In Myanmar, for example, competition for influence and alignment has been intense in the past two decades. The military junta of the 1990s and early 2000s was deeply aware that under its rule, Myanmar had fallen behind its neighbors on all important metrics. The ruling regime was also apprehensive of the country's overdependence on China and, despite a heavy U.S. sanctions regime, began a process of political liberalization in 2003 in hopes of drawing Western interest in Myanmar's economic and political development and of enacting a hedging strategy in pursuit of policy autonomy.¹⁹ Naypyidaw found a willing partner in the administration of Barack Obama, whose diplomatic entreaties and economic promises opened the door for Myanmar's subsequent hedging strategy and the rejection of exploitative Chinese projects, most notably the hydroelectric Myitsone Dam.²⁰ China was dismayed by the loss of alignment in 2011 and fearful of Western influence on its southern border; despite this turn of events, Beijing continued to invest in the country and in relationships with decision makers in Naypyidaw, including Aung San Suu Kyi and her party. Myanmar's pursuit of policy autonomy during

¹⁵ Andrew Selth, “All Going According to Plan? The Armed Forces and Government in Myanmar,” *Contemporary Southeast Asia* 40, no. 1 (April 30, 2018): 1–26, <https://doi.org/10.1355/cs40-1a>; Jonathan T. Chow and Leif-Eric Easley, “Persuading Pariahs: Myanmar's Strategic Decision to Pursue Reform and Opening,” *Pacific Affairs* 89, no. 3 (September 1, 2016): 521–42, <https://doi.org/10.5509/2016893521>.

¹⁶ Bertil Lintner, “The Ex-Pariah,” *Politico Magazine*, April 2014, <https://www.politico.com/magazine/story/2014/02/myanmar-the-ex-pariah-103887/>; Maung Aung Myoe, “Myanmar's China Policy Since 2011: Determinants and Directions,” *Journal of Current Southeast Asian Affairs* 34, no. 2 (August 2015): 21–54, <https://doi.org/10.1177/186810341503400202>.

¹⁷ Carlyle A. Thayer, “The Tyranny of Geography: Vietnamese Strategies to Constrain China in the South China Sea,” *Contemporary Southeast Asia* 33, no. 3 (2011): 348–69, <https://doi.org/10.1355/cs33-3d>. While Thayer puts the specific words to it, many commentators note the proximity of China amidst its stunning growth as a defining factor of Southeast Asian politics.

¹⁸ Hillary Clinton, “America's Pacific Century,” *Foreign Policy*, October 11, 2011.

¹⁹ Chow and Easley, “Persuading Pariahs: Myanmar's Strategic Decision to Pursue Reform and Opening.”

²⁰ Yun Sun, “China's Strategic Misjudgement on Myanmar,” *Journal of Current Southeast Asian Affairs* 31, no. 1 (March 2012): 82, <https://doi.org/10.1177/186810341203100105>.

this period of hedging was short-lived, however, as historical animosity toward and marginalization of the Rohingya Muslim ethnic group in Rakhine State exploded into a humanitarian crisis in 2016–2017.²¹ In light of underwhelming investment and economic assistance from American and Western entities and increasing sanctions related to the humanitarian crisis, Myanmar—even under Western-backed Suu Kyi and certainly under the post-2021 junta—turned back to alignment with China.²²

This competition did not wane in the face of the COVID-19 pandemic—if anything, the global health crisis simply offered new avenues through which competition could play out. Concerns over China’s “vaccine diplomacy” spiked as Beijing promised to distribute domestically produced vaccines around the world to stem the flow of COVID-19 cases, only for their relatively low efficacy to force countries to turn elsewhere for doses.²³ In a stark example of competition for influence through vaccines, on a trip to Vietnam in August 2021, U.S. Vice President Kamala Harris was scheduled to announce, among other actions, a donation of one million doses to Vietnam; a three-hour delay in her schedule allowed Beijing the opportunity to swoop in and pledge two million doses in an effort to upstage the Americans. The response from the Vietnamese prime minister was on par with Hanoi’s traditional stance of nonalignment: Vietnam, he said, “does not ally with one country to fight against another.”²⁴

²¹ Nahal Toosi, “The Genocide the U.S. Didn’t See Coming,” *Politico Magazine*, April 2018, <https://www.politico.com/magazine/story/2018/03/04/obama-rohingya-genocide-myanmar-burma-muslim-syu-kii-217214/>.

²² While Beijing solidified its strong position with Suu Ky after 2017, these gains were negated in the military’s 2021 coup; China has since supported the coup government, though opposition to the military in Myanmar has weakened the central government and China’s ability to influence events in its favor. As it has done in Myanmar and elsewhere, Beijing hedges its bets and seeks to cultivate relations with multiple centers of power. William Piekos, “Myanmar’s Coup and the Risks to the China-Myanmar Economic Corridor,” Center for Advanced China Research, June 2, 2021, <https://www.ccpwatch.org/single-post/myanmar-s-coup-and-the-risks-to-the-china-myanmar-economic-corridor>.

²³ Sui-Lee Wee and Steven Lee Myers, “As Chinese Vaccines Stumble, U.S. Finds New Opening in Asia,” *New York Times*, August 20, 2021, <https://www.nytimes.com/2021/08/20/business/economy/china-vaccine-us-covid-diplomacy.html>.

²⁴ Western vaccines were in higher demand, given the low efficacy of the Chinese Sinopharm vaccines and high anti-China sentiment in Vietnam. Shibani Mahtani, “Harris, in Vietnam, Gets a Dose of China’s Challenge to the U.S.,” *Washington Post*, August 25, 2021, https://www.washingtonpost.com/world/asia_pacific/kamala-harris-vietnam-china-coronavirus/2021/08/25/77e51efa-0564-11ec-b3c4-c462b1edcfc8_story.html.

Inducements and Coercion as Important Factors in Alignment Decisions

I argue that smaller states choose between alignment or hedging²⁵—and, when pursuing alignment, with which major power to align—based on their potential patrons’ use of inducements (promises and incentives) and acts of coercion (threats and sanctions),²⁶ and more specifically on the anticipated impact of those inducements or coercive acts on the survival of the regime in power. An important assumption of this theoretical framework is that all regimes—authoritarian, democratic, or somewhere in between—seek to cement their survival as a vital (if not the singular) political center of power within a state. This survival is predicated on the material capabilities of the regime as well as the perception that the regime has a legitimate claim on control of the government. Without legitimacy, the regime is at risk of being removed from power, either through institutional means (such as elections) or by force.

Inducements—the provision of material and non-material benefits from an external source—improve citizen perceptions of a regime’s performance, play an important role in gaining the compliance of the population, and offer the smaller state’s regime the means to secure its domestic authority as well as external validation of the regime’s position in power.²⁷ These benefits can range from investment and access to trade markets to alliances and joint military exercises, as well as improved legitimacy through diplomatic meetings and rhetorical support for the regime.²⁸ This influx of resources and

²⁵ Isolation, like hedging, is another form of nonalignment. A state like Turkmenistan chooses a strategy of isolation to wall itself off from engagement with most states in the world.

²⁶ Notably, these choices are made within the constraints of their position in the international system. Inducements and coercion serve as the two most oft cited mechanisms of control in authority relations. Others include status, prestige, legitimacy, and agenda-setting. Ian Hurd, “Legitimacy and Authority in International Politics,” *International Organization* 53, no. 2 (1999): 379–408, <https://doi.org/10.1162/002081899550913>; Paul MacDonald, “Embedded Authority: A Relational Network Approach to Hierarchy in World Politics,” *Review of International Studies* 44, no. 1 (January 2018): 128–50, <https://doi.org/10.1017/S0260210517000213>; Janice Bially Mattern and Ayşe Zarakol, “Hierarchies in World Politics,” *International Organization* 70, no. 3 (2016): 623–54, <https://doi.org/10.1017/S0020818316000126>.

²⁷ Performance, in its simplest formulation, refers to the security, stability, and prosperity of a nation, though it can be measured in many ways. Haig Patapan, “Triumph of the West? The Politics of Legitimacy in Asia,” *Australian Journal of International Affairs* 66, no. 5 (November 2012): 573, <https://doi.org/10.1080/10357718.2011.570245>; John Kane, Hui-Chieh Loy, and Haig Patapan, “Introduction to the Special Issue: The Search for Legitimacy in Asia,” *Politics & Policy* 38, no. 3 (2010): 389–90.

²⁸ In my analysis, I argue that matters of economic and diplomatic engagement retain key similarities to security-centric inducements, namely that they can help entice or coerce alignment from a smaller state, even over security-related policies. However, I also acknowledge that economic and diplomatic inducements are generally weaker in effect; for example,

legitimacy helps to both insulate the ruling regime from foreign and domestic opposition and bolster domestic support, thus increasing the odds of the regime's continued survival and hold on power. Conversely, when a smaller state faces attempted coercion by a major power, most notably through the threat or imposition of sanctions—often intended to weaken the ruling regime or force it to acquiesce to specific demands—it is more likely to align with that power's competitor, which can easily assume the role of the target regime's supporter and thus deserving of the state's alignment.

Performance-based legitimation strategies also hold particular importance in the Southeast Asian context. Many of these countries are authoritarian in their governance structures—indicating they are more dependent on performance for legitimacy than their more democratic counterparts²⁹—and even some democracies have flirted with or established less pluralistic forms of government, such as Thailand and the Philippines. Regimes in China, Vietnam, the Philippines, and Cambodia have explicitly pursued performance-based legitimation strategies with the goal of gaining the compliance and approval of their populations.³⁰ In the regional context, survey data from the Asian Barometer Survey show that both nondemocratic and democratic regimes in Southeast Asia can enjoy high levels of political support if they deliver economic well-being and good governance.³¹ For ruling regimes of regional states, positive performance is a sure way to gain and ensure political power and regime survival, and external

support can be an important means through which to improve their prospects.

However, this support is not guaranteed to work solely in the regime's favor, or even as a net positive for the regime: inducements can make the smaller powers vulnerable to overdependence and coercion, just as coercive acts can be later reversed to appear as inducements.³² In Myanmar, the military junta feared the consequences of its overreliance on China through the 1990s and into the 2000s, and as a direct result it pursued top-down political reform and a diversification of foreign sources of engagement, contributing to the government's suspension of the Myitsone Dam project. This liberalization process was also a key reason behind Washington's sanctions relief, which also offered a carrot for continued reforms.³³

Faced with these critical choices and the uncertainties associated with them, countries in Southeast Asia weigh their alignment options in search of the policy viewed by the ruling regime as most likely to ameliorate these risks and increase its prospects for survival. For some smaller states, this means alignment. For Prime Minister Hun Sen in Cambodia, tight alignment with China has allowed his regime to stay in power for decades, though he has also been criticized for putting China's interests ahead of those of the member states of the Association of Southeast Asian Nations (ASEAN), the consensus-based regional organization; regardless, Hun Sen has the opportunity to pass the torch to his son.³⁴ While the Philippines chafed at its alignment with the United

the amount of such inducements needed to override alignment based on a treaty alliance would have to be greater than that of a security relationship based on joint military exercises.

²⁹ Johannes Gerschewski, "The Three Pillars of Stability: Legitimation, Repression, and Co-Optation in Autocratic Regimes," *Democratization* 20, no. 1 (January 2013): 20, <https://doi.org/10.1080/13510347.2013.738860>.

³⁰ Le Hong Hiep, "Performance-Based Legitimacy: The Case of the Communist Party of Vietnam and Doi Moi," *Contemporary Southeast Asia* 34, no. 2 (2012): 145–72, <https://doi.org/10.1355/cs34-2a>; Carlyle A. Thayer, "Political Legitimacy in Vietnam: Challenge and Response," *Politics & Policy* 38, no. 3 (June 8, 2010): 423–44, <https://doi.org/10.1111/j.1747-1346.2010.00242.x>; Richard McGregor, *The Party: The Secret World of China's Communist Rulers* (New York, NY: Harper, 2010); Aileen S.P. Baviera and Aries A. Arugay, "The Philippines' Shifting Engagement with China's Belt and Road Initiative: The Politics of Duterte's Legitimation," *Asian Perspective* 45, no. 2 (2021): 277–300, <https://doi.org/10.1353/apr.2021.0001>; Vannarith Chheang, "Cambodia's Embrace of China's Belt and Road Initiative: Managing Asymmetries, Maximizing Authority," *Asian Perspective* 45, no. 2 (2021): 375–96, <https://doi.org/10.1353/apr.2021.0005>; Jing Jing Luo and Kheang Un, "China's Role in the Cambodian People's Party's Quest for Legitimacy," *Contemporary Southeast Asia* 43, no. 2 (2021): 395–419, <https://doi.org/10.1355/cs43-2h>. Singapore's regime also employs a performance-based legitimation strategy; see Benjamin Wong and Xunming Huang, "Political Legitimacy in Singapore," *Politics & Policy* 38, no. 3 (June 8, 2010): 523–43, <https://doi.org/10.1111/j.1747-1346.2010.00247.x>.

³¹ Alex Chang, Yun-han Chu, and Bridget Welsh, "Southeast Asia: Sources of Regime Support," *Journal of Democracy* 24, no. 2 (2013): 150–64,

<https://doi.org/10.1353/jod.2013.0025>; Yun-han Chu et al., "Public Opinion and Democratic Legitimacy," *Journal of Democracy* 19, no. 2 (2008): 74–87, <https://doi.org/10.1353/jod.2008.0032>.

³² Dorussen highlights an important distinction, as theorized by Knorr: for the sender, sanctions are costly before an agreement is reached, while incentives require the ability to follow through on a promise after an agreement is reached. Han Dorussen, "Mixing Carrots with Sticks: Evaluating the Effectiveness of Positive Incentives," *Journal of Peace Research* 38, no. 2 (March 2001): 257, <https://doi.org/10.1177/0022343301038002009>; Klaus Knorr, *The Power of Nations: The Political Economy of International Relations* (New York, NY: Basic Books, 1975).

³³ However, the revocation of sanctions was not followed through with additional positive inducements, namely economic investment, and so did not afford the United States enough leverage to forestall human rights abuses or troubling political developments.

³⁴ David Hutt, "Rocky Road Ahead for Hun Sen's Succession Plan," *Asia Times*, January 11, 2022, <https://asiatimes.com/2022/01/rocky-road-ahead-for-hun-sens-succession-plan/>. For more on Cambodia's alignment, see Sovinda Po and Christopher B. Primiano, "An 'Ironclad Friend': Explaining Cambodia's Bandwagoning Policy Towards China," *Journal of Current Southeast Asian Affairs* 39, no. 3 (December 2020), <https://doi.org/10.1177/1868103420901879>; David Hutt, "How China Came to Dominate Cambodia," *The Diplomat*, September 1, 2016, <https://thediplomat.com/2016/09/how-china-came-to-dominate-cambodia/>; Terence Chong, "The Politics Behind Cambodia's Embrace of China" (ISEAS Yusof Ishak Institute, August 2, 2017).

States during the Duterte administration, its close affiliation came with substantial benefits, including military support against insurgent groups and consistent diplomatic backing. For other countries, nonalignment through hedging has proven a robust strategy. Vietnam has successfully navigated its unique position, having fought wars against both the United States and China, through the cultivation of uncertainty and ambiguity. Resisting attempts to alter its policy behavior when not in its interests and exploiting cooperation where policy convergence and shared interests exist, the Communist Party of Vietnam has maintained a high degree of autonomy over its policy-making process in the face of U.S.-China competition.³⁵

Still other states have navigated these challenges through fluctuating alignment strategies, both intentional and accidental. Wary of overreliance on China, Myanmar's reforms in the first decade of the 2000s allowed the junta and its successor governments to pursue a hedging strategy between China and the United States. Its success in this pursuit was undermined by an inability or unwillingness to make all the changes necessary to maintain Western support, and a slide back toward alignment with China ensued. In Thailand, a steady hedging strategy was broken only by the momentous events of September 11, 2001. Called into action as a U.S. ally, Bangkok altered its policies to meet American demands in the War on Terror—when Prime Minister Thaksin Shinawatra lost power in 2006 and the benefits of the close relationship for Thailand and its various leaders became less clear, the impetus for alignment likewise dissipated.³⁶

³⁵ For additional insights into Vietnam's hedging strategy, see Le Hong Hiep, "Vietnam's Hedging Strategy Against China Since Normalization," *Contemporary Southeast Asia* 35, no. 3 (2013): 341–44, <https://doi.org/10.1355/cs35-3b>; Carlyle A. Thayer, "Vietnam's Strategy of 'Cooperating and Struggling' with China over Maritime Disputes in the South China Sea," *Journal of Asian Security and International Affairs* 3, no. 2 (August 2016): 200–220, <https://doi.org/10.1177/2347797016645453>; Derek Grossman, *Regional Responses to U.S.-China Competition in the Indo-Pacific: Vietnam* (Santa Monica, CA: RAND Corporation, 2020).

³⁶ For more on Thailand's alignment, see Thitinan Pongsudhirak, "An Unaligned Alliance: Thailand-U.S. Relations in the Early 21st Century," *Asian Politics & Policy* 8, no. 1 (January 2016): 66, <https://doi.org/10.1111/aspp.12233>; Ann Marie Murphy, "Beyond Balancing and Bandwagoning: Thailand's Response to China's Rise," *Asian Security* 6, no. 1 (January 22, 2010): <https://doi.org/10.1080/14799850903471922>; Kittit Prasirtsuk and William T. Tow, "A Reluctant Ally?: Thailand in the US Rebalancing Strategy," in *The New US Strategy towards Asia: Adapting to the American Pivot*, ed. William T. Tow and Douglas Stuart, Routledge Security in Asia Pacific Series 30 (London: Routledge/Taylor & Francis Group, 2015).

³⁷ The 1947 Philippine-U.S. Military Bases Agreement (MBA) gave the United States the right to retain the use of bases in the Philippines for a period of ninety-nine years and created the Joint U.S. Military Advisory

In the following section, I offer a brief case study analysis of these dynamics in the Philippines during the Benigno Aquino III and Rodrigo Duterte administrations (2010–2016 and 2016–2022, respectively). Manila has been in alignment with the United States for decades (and remains as such), though Duterte resisted his country's alignment obligations. I limit my analysis to the Aquino and Duterte administrations, establishing Manila's alignment position and preferences and investigating Duterte's failed attempts at a strategy of nonalignment through hedging.

The Philippines' Alignment: From Aquino Through Duterte (2010–2022)

The Philippines has retained close ties with its former colonizer, the United States, since independence in 1946, a relationship substantiated through the 1947 Philippine-U.S. Military Bases Agreement (MBA) and a mutual defense treaty in 1951, among other arrangements.³⁷ U.S.-Philippine relations have waxed and waned over the subsequent decades,³⁸ as have Sino-Philippine relations, but for the purposes of this brief discussion I take 2010 as my starting point.³⁹ I describe the Philippines as aligned with the United States throughout this period, with important episodes between 2016 and 2020 during which Duterte pursued better relations with China.

Despite Duterte's efforts, I position the Philippines as in alignment with the United States throughout the period in question (2010–2022). I look at four examples of the Philippines' alignment policies: Manila's filing of an arbitrational case in 2013 to challenge China's claims in the South China Sea

Group (JUSMAG) to assist and advise the Philippine armed forces. This agreement was further buttressed by the 1947 Military Assistance Program and a mutual defense treaty in 1951. Renato Cruz De Castro, "The US-Philippine Alliance: An Evolving Hedge Against an Emerging China Challenge," *Contemporary Southeast Asia* 31, no. 3 (2009): 404, <https://doi.org/10.1355/cs31-3b>.

³⁸ At various points following the end of the Cold War, the Philippines has sought to moderate its ties with the United States, including by reducing the terms of basing leases, through a vote in the senate against the renewal of the Military Bases Agreement, and the demand for and subsequent withdrawal of U.S. military personnel in 1992. Subsequent developments in the South China Sea, namely China's more assertive stance over its territorial claims and its occupation of Mischief Reef in 1994, reinvigorated the U.S.-Philippine relationship. The U.S. military and the Armed Forces of the Philippines (AFP) undertook military exercises in 1995 and 1996 and signed a Visiting Forces Agreement in 1998. For a more detailed review of the period from 1991 to 1999, see De Castro, 404–405.

³⁹ Focusing on events after 2010 skips over the administration of President Gloria Macapagal Arroyo (2001–2010). For the purposes of this analysis, it is important to point out that Manila's alignment did not shift away from the United States during this period. See Bich T. Tran, "Presidential Turnover and Discontinuity in the Philippines' China Policy," *Asian Perspective* 43, no. 4 (2019): 626–29, <https://doi.org/10.1353/apr.2019.0026>.

under the UN Convention on the Law of the Sea (UNCLOS), the U.S.-Philippines Enhanced Defense Cooperation Agreement (EDCA) in 2014, the 2016 ruling against China by the Permanent Court of Arbitration (PCA), and Duterte's flip-flopping over the VFA in 2020. In the first two events, a combination of Chinese coercion in the South China Sea and U.S. security assistance encouraged Manila to push back against Chinese encroachment of its claims and into negotiations for the EDCA with Washington. The latter two are of particular interest, as Duterte attempted to break from alignment with the United States, drawn by his own anti-American inclinations and domestic growth priorities, supported by Chinese promises of infrastructure investment; I argue he was unable to do so, as a combination of insufficient Chinese inducements and the Duterte administration's need for U.S. security assistance meant that the benefits of alignment continued to be too great to justify a permanent switch to hedging.

The Aquino Administration: Rising Tension with Beijing

Tensions in the South China Sea have been a consistent feature of China's relations with ASEAN and the Philippines, though the two sides had been described as in a "golden age" for Sino-Philippine relations during the presidency of Gloria Macapagal Arroyo (2001–2010) despite these challenges. The next administration of President Benigno Aquino III (2010–2016) at first sought to maintain positive relations, but Aquino's desire to break with the policies of his predecessor and Chinese actions in the South China Sea quickly soured relations.⁴⁰ In March 2011, two Chinese patrol boats harassed a survey ship

conducting oil exploration, and in June Chinese ships were sighted within the Philippines' EEZ.⁴¹ Manila submitted protests after both incidents; both complaints were dismissed by Beijing as interference in China's sovereign rights.⁴²

After these incidents, the Aquino administration countered with a more confrontational policy toward China, a position strengthened by the Obama administration's strategic rebalance to Asia.⁴³ China's naval forces continued to engage in activities antagonizing the Philippines (as well as other claimants), including harassing survey ships and Philippine naval vessels and taking over and building on the Scarborough Shoal and other reefs and rocks.⁴⁴ Aquino's most provocative action against Beijing was filing an arbitrational case in January 2013 to challenge China's claims in the South China Sea under UNCLOS.⁴⁵ The Chinese government declined to participate in the arbitration, arguing that the tribunal lacked the jurisdiction to handle the case; the proceedings continued nonetheless, and the Philippines received a unanimous favorable award after three years of deliberations. In the interim, however, Beijing made significant progress in establishing de facto control of several maritime features.⁴⁶

By contrast, the United States held a strategic bilateral dialogue with the Philippines in 2011, promised funding to support the Capability Upgrade Program of the Armed Force of the Philippines (AFP), and boosted Philippine maritime surveillance and interdiction capabilities.⁴⁷ The most notable development in U.S.-Philippine cooperation was negotiations and conclusion of a framework agreement that was signed in 2014 as the EDCA.⁴⁸

⁴⁰ As examples of Aquino's early attempts to maintain positive relations with China, Manila skipped the award ceremony of the Nobel Peace Prize to Chinese dissident Liu Xiaobo in late 2010 and extradited fourteen Taiwanese accused of committing electronic fraud against PRC nationals to mainland China in early 2011. In the former case, the Philippines was fearful of angering China while negotiating an arms deal. Aquino's "Anything-But-Arroyo" campaign was targeted largely at domestic priorities, such as corruption, political impunity, and indifference to ordinary citizens, but a reassessment of Arroyo's foreign policy was also part of his attempts to disassociate from his predecessor. Renato Cruz De Castro, "The Aquino Administration's Balancing Policy Against an Emergent China: Its Domestic and External Dimensions," *Pacific Affairs* 87, no. 1 (March 1, 2014): 5–27, <https://doi.org/10.5509/2014871005>. For more on the decision to skip the Nobel Peace Prize award ceremony, see Todd Cromwell, "Why the Philippines Snubbed Liu Xiaobo," *Real Clear World*, December 12, 2010.

⁴¹ De Castro, "The Aquino Administration's Balancing Policy Against an Emergent China."

⁴² *Ibid.*

⁴³ Clinton, "America's Pacific Century."

⁴⁴ Tran, "Presidential Turnover and Discontinuity in the Philippines' China Policy," 631; De Castro, "Explaining the Duterte Administration's Appeasement Policy on China," 177.

⁴⁵ Leonard Bernard and Michael Ewing-Chow, "A Rising Tide: Law of the Sea Disputes in Asia and Arbitration," *Asian Dispute Review* 16, no. 3 (2014): 114–19.

⁴⁶ Derek Watkins, "What China Has Been Building in the South China Sea," *New York Times*, February 29, 2016, <https://www.nytimes.com/interactive/2015/07/30/world/asia/what-china-has-been-building-in-the-south-china-sea-2016.html>.

⁴⁷ De Castro, "The Aquino Administration's Balancing Policy Against an Emergent China." More specifically, this assistance included access to equipment through excess defense sales and an additional \$40 million for the Coast Watch South system to boost the AFP's surveillance, communication, and interdiction capabilities.

⁴⁸ Renato Cruz De Castro, "The 21st Century Philippine-US Enhanced Defense Cooperation Agreement (EDCA): The Philippines' Policy in Facilitating the Obama Administration's Strategic Pivot to Asia," *Korean Journal of Defense Analysis* 26, no. 4 (December 2014): 438–41; Tran, "Presidential Turnover and Discontinuity in the Philippines' China Policy," 631–33. Negotiations on the EDCA began in August 2013 as the "Framework Agreement on Increased Rotational Presence and Enhanced

The agreement expanded the American rotational deployment in the Philippines, offering U.S. forces temporary access to selected AFP military bases and permission to pre-position fighter jets and ships.⁴⁹

In the latter years of the Aquino administration, the Philippines' alignment prospects shifted based on two developments: promises of BRI investment and the presidential campaign and election of Rodrigo Duterte. In 2013, China unveiled its expansive series of infrastructure projects through the BRI. Aquino's uncompromising position in the South China Sea, however, precluded the Philippines from receiving such investment, and the lack of infrastructure development during his administration consequently weakened Aquino's electoral position. At the same time, it strengthened the appeal of the reform platform of presidential candidate Duterte, which was centered on, among other pieces, massive infrastructure projects with investment from China and a reversal of Aquino's antagonistic relationship with Beijing.⁵⁰

The Duterte Administration: A Failed Push Toward Hedging

Indeed, in his comments and interactions with Chinese officials prior to his election, Duterte echoed Chinese demands and disavowed the Philippines' dependence on the United States.⁵¹ After his election in May 2016, the new president at first pursued a foreign policy in line with his bombastic rhetoric. Just two weeks after he was sworn in on June 30, the PCA ruled in favor of the Philippines on July 12, and the Duterte administration chose not to emphasize the

ruling and deliberately downplayed Manila's overwhelming victory. The country's special envoy to China, for example, suggested that the arbitration award be set aside while the administration pursued bilateral negotiations with China.⁵²

Once in power, the policies pursued by Duterte's regime had all the hallmarks of a performance-based legitimization strategy, needing development financing for the president's "Build Build Build" initiative of infrastructure projects.⁵³ China was more than willing to oblige and was happy to direct some of its funding to Duterte's preferred destinations.⁵⁴ In addition, Duterte's strongman candidacy also tied his political campaign and the legitimacy of his regime to success in curbing illegal drugs, and Duterte pursued brutal and extrajudicial antidrug policies.⁵⁵ The day after his inauguration, Duterte announced his war on drugs, tying his regime's popularity to the policy's success and drawing criticism from the Philippines' allies in the West; China, meanwhile, came out in support of the campaign.⁵⁶

After the arbitration ruling, statements from the Duterte administration lauded China and downplayed the U.S.-Philippine relationship, going so far as to order U.S. forces off the island of Mindanao and terminate joint naval patrols in September 2016.⁵⁷ In October 2016, Duterte stated that the Philippine-U.S. Amphibious Landing Exercise, which occurred earlier in the month, would be the last joint exercise with U.S. forces during his six-year term—because China opposed joint U.S.-

Agreement." The U.S. military had control over its own military facilities in the Philippines prior to 1992. The EDCA, while once again allowing the rotational deployment of U.S. military personnel to Philippine bases, gave the AFP joint access to any locations on base and joint use of any U.S. improvements or construction.

⁴⁹ De Castro, "The 21st Century Philippine-US Enhanced Defense Cooperation Agreement (EDCA): The Philippines' Policy in Facilitating the Obama Administration's Strategic Pivot to Asia," 439–40.

⁵⁰ Renato Cruz De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy: Examining the Connection Between the Two National Strategies," *East Asia* 36, no. 3 (September 2019): 213, <https://doi.org/10.1007/s12140-019-09315-9>.

⁵¹ Duterte consistently suggested bilateral talks with Beijing to resolve the maritime disputes, a frequent Chinese demand across its diplomatic endeavors so Beijing can leverage power asymmetries. See De Castro, 206. On May 16, China's ambassador to the Philippines was one of the first diplomats to congratulate Duterte in person; soon after, China's coast guard stopped harassing Filipino fisherman around the Scarborough Shoal, an issue raised by Duterte in the meeting. See Aileen S.P. Baviera, "President Duterte's Foreign Policy Challenges," *Contemporary Southeast Asia* 38, no. 2 (2016): 205. Later that month, Duterte declared, "We have this pact with the West, but I want everybody to know that we will be charting a course of our own.... It will not be dependent on America. And it will be a line that is not intended to please anybody but the Filipino interest." Baviera, 206.

⁵² De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy," 214. Duterte eventually came around to the ruling, supporting the arbitral ruling before the UN General Assembly in September 2020.

⁵³ Baviera and Arugay, "The Philippines' Shifting Engagement with China's Belt and Road Initiative."

⁵⁴ Ibid.

⁵⁵ Philippine government estimates place the number of killed at over six thousand; independent estimates place the figure anywhere from twelve thousand to thirty thousand. Georgi Engelbrecht, "Philippines: The International Criminal Court Goes After Duterte's Drug War," International Crisis Group, September 17, 2021, <https://www.crisisgroup.org/asia/south-east-asia/philippines/philippines-international-criminal-court-goes-after-dutertes-drug-war>.

⁵⁶ Diosdado B. Lopega, "On President Rodrigo Duterte's 'War on Drugs': Its Impact on Philippine-China Relations," *Contemporary Chinese Political Economy and Strategic Relations: An International Journal* 5, no. 1 (May 2019): 137–70; Patricia Lourdes Viray, "China Backs Duterte's Drug War," *Philstar*, September 30, 2016, <https://www.philstar.com/headlines/2016/09/30/1629007/china-backs-dutertes-drug-war>.

⁵⁷ De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy," 214. Duterte also told the military to focus on domestic security challenges, instead of a possible conflict in the South China Sea.

Philippine military exercises.⁵⁸ Later that month, Duterte was rewarded on his state visit to China with thirteen memorandums of cooperation, a promised commitment of \$13.5 billion to boost economic cooperation, and \$9 billion for infrastructure development.⁵⁹ Indeed, one scholar argued that Duterte's lack of action to defend Manila's claims in the South China Sea "was based on his calculation that appeasing China has its rewards in the form of deals worth billions of US dollars including an agreement for agricultural exports to China, and loans for infrastructure projects such as railways and hydroelectric dams through the BRI."⁶⁰ For its efforts, Beijing gained support in regional forums.⁶¹ As chair of the ASEAN Summit in May 2017, Duterte prevented reference to the PCA ruling and China's island-reclamation projects in the contested waters of the South China Sea. During Xi's visit to Manila in November 2018, the two sides signed a Memorandum of Understanding on Cooperation on the Belt and Road Initiative.⁶²

However, Duterte's preference to shrug off the Philippines' close relationship with the United States never quite came to fruition. Criticism from the Obama administration over human rights and the Duterte's administration's aggressive antidrug policies made hedging an attractive option, spurred on by the Philippine president's courtship of Beijing and China's promises of investment.⁶³ But although his rhetoric was demonstrative, Duterte largely maintained close ties with the United States, a position made easier with the election of Donald Trump, who, like Duterte, was a populist leader with less focus on human rights.⁶⁴ Duterte's enthusiasm for closer relations with China was further tempered

by public opinion, which favored the United States, China's lagging delivery of promised investment, and the military's wariness of China's actions and its long-standing cooperation with U.S. forces.⁶⁵

After the scaling back of U.S.-Philippine security ties in 2016 and early 2017, exercises resumed as they had in previous years.⁶⁶ During Trump's visit to the Philippines in November 2017, the two sides restated their commitment to the 1951 Mutual Defense Treaty and the 2014 EDCA, and pledged to expand cooperation and deepen the alliance.⁶⁷ The United States also aided the AFP—in dire need of assistance—in operations against Islamic State-linked rebels in Marawi City in June 2017 (after being ordered out of the island of Mindanao, where Marawi is located, the year prior).⁶⁸ Desperate for U.S. support for the Philippine military, Duterte proclaimed himself a "humble friend" of the United States.⁶⁹ At a November 2017 meeting on the sidelines of the ASEAN Summit, Duterte and Trump discussed bilateral economic relations and counterterrorism operations.⁷⁰

A series of maritime incidents in the South China Sea made it difficult for Duterte to shift the Philippines' alignment strategy in China's direction. Among other episodes, in June 2019, a Chinese trawler sank a Filipino fishing vessel near the disputed Reed Bank and left the fishermen to be saved by another ship, an affront that Duterte elected to downplay.⁷¹ In 2019 and 2020, China encircled the Philippines' Thitu Island with hundreds of militia boats to prevent the Philippines from upgrading its facilities on the

⁵⁸ Julie Aurelio, "Duterte Out to End War Games with the U.S.: Bilateral Relations Get More Uncertain," *Philippine Daily Inquirer*, September 30, 2016; De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy," 215. For more on the scaling back of U.S.-Philippine security relations, see De Castro, "Explaining the Duterte Administration's Appeasement Policy on China," 171–75.

⁵⁹ De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy," 215–16. Many of these projects have been delayed, modified, or cancelled, though the immediate political benefits for both Duterte and China remained. See De Castro, 220–21.

⁶⁰ De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy," 218.

⁶¹ De Castro, "Explaining the Duterte Administration's Appeasement Policy on China," 180. Prior to the ASEAN Summit in May 2017, in reference to the arbitration ruling, Duterte proclaimed, "What would be the purpose of discussing it? Who will dare pressure China?" The ASEAN Summit is the highest policy-making body of the organization, a biannual meeting of the heads of state or government.

⁶² Baviera and Arugay, "The Philippines' Shifting Engagement with China's Belt and Road Initiative."

⁶³ Olli Suorsa and Mark R. Thompson, "Choosing Sides? Illiberalism and Hedging in the Philippines and Thailand," *Panorama 2* (2017).

⁶⁴ Richard Javad Heydarian, "An Unlikely Bromance: Trump, Duterte and the Future of the Philippine-U.S. Alliance," *Asia Trends*, 2018.

⁶⁵ For more detailed analysis of these phenomena, see De Castro, "China's Belt and Road Initiative (BRI) and the Duterte Administration's Appeasement Policy," 221–23; Alvin Camba and Rongchen Jiang, "Beyond Infrastructure: Chinese Capital in the Philippines Under Duterte," *The Diplomat*, April 8, 2022, <https://thediplomat.com/2022/04/beyond-infrastructure-chinese-capital-in-the-philippines-under-duterte/>. Regarding Trump and Duterte, President Trump praised Duterte's war on drugs on numerous occasions.

⁶⁶ Gregory Winger, "Alliance Embeddedness: Rodrigo Duterte and the Resilience of the US-Philippine Alliance," *Foreign Policy Analysis* 17, no. 3 (April 21, 2021), <https://doi.org/10.1093/fpa/orab013>.

⁶⁷ Tran, "Presidential Turnover and Discontinuity in the Philippines' China Policy," 638–39.

⁶⁸ Debasish Roy Chowdhury, "What Now for Duterte's China Pivot as Marawi Cements US Important for Philippines?" *South China Morning Post*, June 16, 2017, <https://www.scmp.com/week-asia/article/2098544/what-now-dutertes-china-pivot-marawi-cements-us-importance-philippines>.

⁶⁹ Joshua Kurlantzick, "Is Duterte Warming to the United States?" Council on Foreign Relations, *Asia Unbound* (blog), August 10, 2017, <https://www.cfr.org/blog/duterte-warming-united-states>.

⁷⁰ Heydarian, "An Unlikely Bromance: Trump, Duterte and the Future of the Philippine-U.S. Alliance," 34.

⁷¹ Malcolm Cook, "The Duterte Administration's China Tensions" (ISEAS Yusof Ishak Institute, August 15, 2019).

island,⁷² and in April 2020, China declared administrative control over the disputed Spratly Islands.⁷³ As these provocations would suggest, Sino-Filipino security cooperation remained underdeveloped.⁷⁴

Still, Duterte's desire to renegotiate the Philippines' relationship with the United States and exert a greater degree of policy independence was still on display in 2020. In February, Duterte notified Washington that he intended to end the Philippines-U.S. Visiting Forces Agreement; this was a response to the cancellation of a U.S. visa for a close ally, who was implicated in Duterte's extrajudicial war on drugs.⁷⁵ Still, he authorized a temporary extension of the VFA in June 2020 (and again in November), "in light of political and other developments in the region," according to his foreign secretary; this statement was widely interpreted as a sign of concern over China's military maneuvers in the South China Sea in the intervening months.⁷⁶ In August 2021, Duterte finally decided to keep the VFA, stating that U.S. donations of COVID-19 vaccines were important to the decision.⁷⁷ This episode highlights important aspects of Manila's alignment position and the use of inducements and coercion. On the one hand, Duterte was angered by U.S. attempts at coercion and responded by threatening the VFA. On the other, the Duterte administration did not have enough leverage to follow through with its threats. Manila's behavior was circumscribed by the actions of the two great powers, and the vacillation between abrogating and retaining the VFA was a reaction to proximate coercive acts—the cancellation of the U.S. visa and Chinese maneuvers in the South China Sea.

The Allure of Inducements in the Philippines and Beyond

These incidents help show the utility of an argument based on inducements and coercion in explaining the Philippines' alignment strategy, as well as its limitations. During the Aquino administration, China's use of coercion drove the Philippines closer to the United States. Combined with U.S. efforts to deepen partnerships in the region as part of Obama's rebalance to Asia, Manila closed ranks with its traditional ally. The Philippines' presidential election in 2016, however, offered Beijing an opening to shift its strategy toward one focused on inducements. Promises of BRI investment for an infrastructure-needy country—paired with candidate Duterte's anti-U.S. views and desire for infrastructure investment, important concurrent factors—encouraged the new administration to seek a shift away from Washington's orbit. Duterte sought to maximize Manila's autonomy through outreach to China and the cancellation of preexisting U.S. cooperative engagements, but the Philippines' policies remained influenced by the United States. Despite Duterte's cancellation of military cooperation with U.S. forces in 2016–2017, Manila needed to call on U.S. assistance in Mindanao in 2017. Promises of Chinese support, particularly BRI funding for infrastructure, bolstered Duterte's standing domestically but ultimately did not allow Beijing undue influence over Manila's policies, and any latent influence was undercut by the South China Sea issue and domestic security concerns.

The efficacy of inducements and coercion in the Philippines, however, was conditioned by the domestic political priorities and ideas of Aquino and Duterte, emphasizing that a close understanding of local politics is inherent to the successful deployment of these incentive structures.⁷⁸ Both presidents held

⁷² Derek Grossman, "Duterte's Dalliance with China Is Over," *Foreign Policy*, November 2, 2021.

⁷³ Grossman, "China Has Lost the Philippines Despite Duterte's Best Efforts."

⁷⁴ For a comprehensive discussion of Sino-Filipino security cooperation during the first few years of the Duterte administration, see Julio Amador III et al., "An Appraisal of Philippines-China Security Relations Under the Duterte Administration (2016–2020)," PRIO Paper (Peace Research Institute Oslo, 2021).

⁷⁵ The VFA revitalized defense ties between Manila and Washington in 1998. Through much of the 1990s, there were no such agreements, despite the mutual defense treaty—a nationalist Philippine Senate voted not to renew a mutual basing agreement in 1991, forcing a U.S. withdrawal from the country. In keeping with the 1991 decision, the newer VFA emphasized the visiting and temporary status of U.S. forces. See Andrew Yeo, "President Duterte Wants to Scrap a Philippines-U.S. Military Agreement. This Could Mean Trouble.," *The Washington Post*, *Monkey Cage* (blog), February 13, 2020,

<https://www.washingtonpost.com/politics/2020/02/13/president-duterte-wants-scrap-philippines-us-military-agreement-this-could-mean-trouble/>.

⁷⁶ Jason Gutierrez, "Philippines Backs Off Threat to Terminate Military Pact with U.S.," *New York Times*, June 2, 2020, <https://www.nytimes.com/2020/06/02/world/asia/philippines-military-pact-us-duterte.html>.

⁷⁷ Ranada, "Duterte Says US Vaccine Donations Led Him to Keep VFA."

⁷⁸ For more on leaders and their beliefs, see Michael C. Horowitz and Matthew Fuhrmann, "Studying Leaders and Military Conflict: Conceptual Framework and Research Agenda," *Journal of Conflict Resolution* 62, no. 10 (November 2018): 2072–86, <https://doi.org/10.1177/0022002718785679>; Henk E. Goemans, Kristian Skrede Gleditsch, and Giacomo Chiozza, "Introducing Archigos: A Dataset of Political Leaders," *Journal of Peace Research* 46, no. 2 (March 2009): 269–83, <https://doi.org/10.1177/0022343308100719>. On ideas and ideology, see Giorgi Gvalia et al., "Thinking Outside the Bloc: Explaining the Foreign Policies of Small States," *Security Studies* 22, no. 1 (January 2013): 98–131, <https://doi.org/10.1080/09636412.2013.757463>; Judith Goldstein, Robert O.

beliefs about the United States and China that altered their willingness—and the relative values of inducements and coercion needed—to align or otherwise partner with one side or the other. Another factor that played an important role in their decisions was the strong U.S.-Philippines security relationship, which both Aquino and Duterte used to resist Chinese coercion in the South China Sea. For Duterte, these ties made his pro-China stance difficult to sustain in the face of domestic security challenges, highlighting the importance of the U.S. alliance system but also potential weaknesses in countries where American relationships are less substantial. Duterte's successor—Ferdinand “Bongbong” Marcos Jr., son of the late dictator Ferdinand Marcos Sr.—has faced many of these same challenges. While his stance on the Philippines' foreign policy before his election in 2022 was unclear, Marcos Jr. has embraced close relations with the United States, a politically popular position among Filipinos.⁷⁹

This evidence from the Philippines is indicative of dynamics in other smaller states as they make decisions regarding their alignment. First and foremost, those in power in smaller states heavily weigh the anticipated domestic political impact of alignment decisions on regime survival and legitimacy. This is often directly tied to the degree to which a major power in pursuit of alignment relies on inducements or coercion. Inducements offer the ruling regime material benefits, which strengthen its claim to and hold on political power; they also buttress the regime's legitimacy and serve as domestic and international signals of its viability. Multiple major powers offering inducements can encourage smaller states to employ a strategy of nonalignment through hedging, attempting to maintain a balance between major powers to retain greater policy autonomy and gain material and legitimating benefits from both potential patrons.

Inducements play an integral role in the extension of influence and changing alignment patterns throughout Southeast Asia. Likewise, the use of coercion is associated with a decreased likelihood of alignment. In Myanmar, the regime's own predetermined liberalization path paired well with the Obama administration's outreach to rogue

regimes, and the promise of inducements began a process in which Naypyidaw was no longer reliant on Beijing for economic development and political support nor needed to abide by its policy requests. In Thailand, Bangkok adhered to its preferred hedging strategy through the 1990s, despite the upheaval of the 1997 Asian Financial Crisis; this strategy remained viable until the events of September 11, 2001, when Thailand and Thaksin Shinawatra, the country's anti-Western prime minister, aligned with the United States, which offered irresistible incentives through preexisting security linkages.

On the other hand, the use of coercion can be anathema to influence and alignment commitments. In Myanmar and Cambodia, for example, U.S.-led sanctions regimes against the Burmese junta in 1988 and Hun Sen in 1996 made alignment with China an easy choice. Vietnam has employed a hedging strategy with impressive results, wary of coercion from Washington over human rights and political reform and from Beijing over disputed claims in the South China Sea. Even when alignment arrangements do not change in full, attempted coercion has shown itself to hurt major power influence, as it did for the United States in the Philippines over American criticism of Duterte's brutal and extrajudicial war on drugs; the Filipino president responded by questioning his country's alignment with the United States.

Considerations for U.S.-China Competition

From the perspective of major power geopolitics and U.S.-China competition, an important takeaway of this analysis is the many issues over which major powers seek to gain influence and alter smaller state behavior. As they did in the Philippines with Duterte, economic inducements have played an important role in gaining Beijing access to policymakers in smaller states. Washington, for various reasons, has been unable to sustain economic engagement in Southeast Asia and fallen back on its historical security and military ties. This focus on security issues—resulting in an inattention to other factors—handicaps U.S. foreign policy and scholars'

Keohane, and Social Science Research Council (U.S.), eds., *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change*, Cornell Studies in Political Economy (Ithaca, NY: Cornell University Press, 1993).

⁷⁹ David Rising and Jim Gomez, “Marcos Presidency Complicates US Efforts to Counter China,” AP News, May 10, 2022; Sui-Lee Wee, “Marcos, Back in Arms of U.S., Is Making His Own Name in Foreign Policy,” *New York Times*, May 2, 2023.

<https://www.nytimes.com/2023/05/02/world/asia/marcos-biden-philippines-china.html>. Marcos Jr. avoided many public appearances during his campaign, though with some positive comments about China; his family has a complicated legacy with the United States, among them the dictatorial rule of the elder Marcos and associated human rights violations and corruption; and his vice president is Sara Duterte, the daughter of his predecessor.

assessments of geopolitical developments in the region and beyond. China has used the BRI and other state-orchestrated initiatives as tools to gain influence and alignment,⁸⁰ and though these programs are not a panacea—there are many examples of Chinese ventures provoking significant pushback in Southeast Asia, and countries around the world are facing debt crises and environmental and social challenges in part spurred by BRI projects (and exacerbated by the pandemic)⁸¹—many of the shifts (or contemplated shifts) in alignment have been associated in some way with promises and acceptance of Chinese economic patronage. Concurrently, U.S. economic policy has emphasized free trade and open markets, priorities which are beneficial to the liberal economic order but give fewer direct opportunities for the United States and its partners to offer economic inducements and potentially influence alignment decisions. Evidence from Southeast Asia also illustrates that economic coercion—most often in the form of sanctions but also through other types of restrictions—has at best a checkered history with respect to alignment and its positive impact (from the perspective of the coercer) on policy behavior; moreover, when inducements are on offer from a competing major power, coercion may be counterproductive to the original policy aims. Washington has been a frequent employer of sanctions in the past, and the analysis here indicates a need for a reappraisal of the costs and benefits of this approach.⁸²

Case study analysis of the Philippines, as well as of other Southeast Asian states, also highlight some of the foreign policy issues (outside of national security and economic growth) around which the United States and China focus their attention. For seasoned analysts of U.S.-China relations and East Asian politics, these insights will come as no surprise, but they bear repeating. In both Washington and Beijing, domestic priorities help drive the use of coercion in foreign affairs. For the United States, human rights and democracy issues are a persistent source of

friction in its relations with many countries in Southeast Asia. In Cambodia, Myanmar, Vietnam, and Duterte's Philippines, these tensions drive a wariness of the United States in elite circles, which hurts its relations with the regimes in power. Extrajudicial punishment, political repression, and—in the extreme—ethnic cleansing break with core democratic values that the U.S. professes to champion; the promise of inducements to motivate change is therefore often politically and ethically untenable, seen as rewarding and endorsing bad behavior. These repressive acts regularly lead the United States to levy sanctions and restrict inducements, which in turn erode hope of American influence with ruling regimes.

For China, territorial disputes drive coercive action and have negatively impacted its relations with countries adjacent to the South China Sea. National sovereignty and territorial integrity are central concerns of the CCP, as the party's domestic legitimacy is directly related to progress toward the restoration of the Chinese homeland.⁸³ President Xi has made it clear that de facto control over the South China Sea is now included in this national project and ensuring a divided ASEAN—the regional forum most likely to serve as the locus of resistance—is an important piece of this effort. China's ability to co-opt Cambodian policy in ASEAN, for example, has been a significant development, as has Duterte's restraint toward China after the Philippines' arbitration success in 2016.

At the same time, U.S. and Chinese attempts at influence over these issues—human rights and territorial integrity, respectively—directly challenge the autonomy of smaller states and serve as high-stakes disputes between smaller states and the major powers seeking to influence them. It is no coincidence, then, that these issues prompt the use of coercion by one major power, and that this in turn offers opportunities to the other to contest or gain alignment.⁸⁴ In the Philippines, for example, the

⁸⁰ Reilly's term of orchestration indicates and acknowledges that the Chinese central government is not in direct control of these initiatives, though Beijing can regulate and supervise. James Reilly, *Orchestration: China's Economic Statecraft Across Asia and Europe* (New York, NY: Oxford University Press, 2021).

⁸¹ Some examples include the Myitsone Dam and Kyaukphyu Port projects in Myanmar and the "two corridors, one belt" initiative in Vietnam. Yun Sun, "On the Yunnan-Rakhine Corridor," Policy Brief Series No. 109 (Torkel Opsahl Academic EPublisher, 2020); Le Hong Hiep, "Chapter 4: The Belt and Road Initiative in Vietnam," The National Institute for Defense Studies Joint Research Series (NIDS ASEAN Workshop 2019: "China's BRI and ASEAN", The National Institute for Defense Studies, 2019). For more on mounting debt crises linked to BRI projects, see Reid Standish, "China's Belt And Road Grapples With Mounting Debt Crisis,

Impacting Central Asia, Pakistan, And Beyond," *Radio Free Europe/Radio Liberty*, August 2, 2022, <https://www.rferl.org/a/china-debt-crisis-belt-road-initiative-kyrgyzstan-pakistan-/31970756.html>.

⁸² Sanctions on one country might in fact be signals aimed at another country or group of countries. Here, my only assertion is that coercive attempts have at least proven erratic in affecting desired policy change in the country they are levied against.

⁸³ For an extensive discussion of China's tactics in confronting territorial issues, see M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton, NJ: Princeton University Press, 2008).

⁸⁴ This is not to argue that these disputes are zero-sum—a loss by one major power does not necessarily equate to a gain by the other.

Aquino administration aligned closely with the United States when China was taking aggressive action in the South China Sea; with Duterte's election in 2016 and subsequent extrajudicial crackdown on drug activity, the United States restricted some aspects of its relationship with Manila, and the Duterte administration increased cooperation with China. In Vietnam, fears of U.S.-led regime change and of China's aggressiveness in South China Sea coexist in the ruling party's consciousness, leading to an intense desire for policy autonomy and the implementation of a hedging strategy.

Policy Implications for the United States

For U.S. policy in Southeast Asia, this analysis calls into question the practical utility of coercion in the face of objectionable behavior in a smaller state over which Washington desires immediate influence. The unfortunate reality is that sanctions by themselves have done very little to pressure regimes to liberalize or reform their human rights practices. Coercive responses to illiberal turns in Cambodia, Myanmar, and Thailand all paved the way for an increase in Chinese influence for lengthy periods of time. This is not to argue that sanctions are not worthwhile or are always the wrong tool to confront a particular problem—sanctions can lay the groundwork for future inducements and improved relations at a later point, as seen in Myanmar, or serve as punishment against the target state and a warning to others about the costs of behavior opposed by the United States. Still, in the immediate sense they are more likely to push Southeast Asian countries toward alignment with China, or at least to diversify relations to China and other major powers.

In thinking more broadly about U.S. policy in the region, the findings of this research program strongly suggest that the United States should take a purposeful step away from framing its relations with smaller states in terms of great power politics and U.S.-China competition in Southeast Asia. This is not a comfortable or necessarily logical conclusion at first glance—at the very least, China has shown itself to be the most important strategic competitor for the United States in the coming century, and U.S. policymakers should continue to focus time and energy on the ways in which China will challenge

American interests. Yet Xi Jinping has shown his cards—for the foreseeable future, he will pursue a nationalistic foreign policy with the full weight of the Chinese state, party, and government behind him and seek to establish a Sino-centric world, or at least one more conducive to Chinese interests. It will do so through increasingly assertive postures on issues of sovereignty and territorial integrity and a more expansive set of security relationships (as have been seen already in a base in Djibouti, enhancements underway at a Cambodian naval base, reports of plans to establish a naval base in Equatorial Guinea, and the recently signed security agreement with the Solomon Islands),⁸⁵ as well as economic initiatives abroad, most obviously through BRI projects and as a source of development financing. The United States will have little recourse to challenge China domestically on these issues, nor should it actively seek to.

Beyond the challenges of altering Beijing's current foreign policy trajectory, a staunch focus on U.S.-China competition and the ways in which allies and partners should help Washington confront Beijing on various issues ignores the priorities and decision-making of countries who are not as invested in this contest. I am not the first to point this out, nor will I be the last, but the United States should focus more of its efforts toward smaller states to engender goodwill in these countries and gain partners who are inclined to side with Washington. The United States can do so by focusing on issues of significance to these countries—surely economic issues, including infrastructure, investment, trade, and development financing, but also security cooperation on issues of mutual concern and consistent diplomatic engagement. By investing time and resources on such issues, and signaling openness to dialogue with foreign policymakers and non-governmental organizations to better understand the challenges facing these countries, the United States would increase the likelihood of earning alignment commitments, and even if alignment is unattainable, position itself well to more comprehensively address issues of interest to the United States in the future.

Policymakers in Washington have made important promises in this regard in recent years, though as ever, questions about the U.S. commitment to

⁸⁵ "Dredgers Spotted at Cambodia's Ream Naval Base," Center for Strategic and International Studies, *Asia Maritime Transparency Initiative* (blog), January 21, 2022; Bonny Lin et al., "Is China Building a New String of Pearls in the Atlantic Ocean?," Center for Strategic and International Studies, December 20, 2021, <https://www.csis.org/analysis/china-building->

[new-string-pearls-atlantic-ocean/](https://www.csis.org/analysis/china-building-new-string-pearls-atlantic-ocean/); Patricia O'Brien, "The 'Framework Agreement' With China Transforms the Solomon Islands Into a Pacific Flashpoint," Center for Strategic and International Studies, March 31, 2022, <https://www.csis.org/analysis/framework-agreement-china-transforms-solomon-islands-pacific-flashpoint>.

Southeast Asia remain. While withdrawal from the Trans-Pacific Partnership (TPP) was a great loss for the U.S. strategic and economic commitment to the region, the Trump administration's BUILD Act along with the International Development Finance Corporation (DFC) and the Biden administration's Build Back Better World (B3W) initiative and the Indo-Pacific Economic Framework (IPEF) represent important promises to support development and economic growth in the region—though follow through on these pledges should be carefully monitored.⁸⁶ On a bilateral level, the United States can push for greater transparency and better governance on economic projects. For example, in Myanmar in 2019, a U.S. State Department pilot program—aimed at scrutinizing contracts and identifying bad deals—assisted the government in reviewing and revising a multibillion-dollar port contract with China; its advice was accepted not to spite Beijing, but because the guidance was sound and prevented Myanmar from committing to too large a project.⁸⁷

While these economic efforts are sometimes described as a response to China's seemingly omnipresent BRI projects, they should be labeled and actively identified not in opposition to Chinese projects, but as additional options for smaller countries so that they can obtain the best terms and conditions for those contracts. Sometimes that will mean these smaller states will choose development undertakings with Chinese companies as part of the BRI; other times the United States or other outside investment partners will agree to terms on projects. The priority, however, should be on encouraging transparency and, to the extent possible, ensuring that citizens in these smaller states see the benefits of the projects. In this way, the United States can contribute to the much-needed infrastructure investment gap in Southeast Asia, bring value-added to projects through expertise, and help develop a dynamic region with promising growth potential.

This proposal does not ameliorate the importance of continued security partnerships, particularly in aiding disputants to China's claims in the South

China Sea. Joint exercises, provision of naval vessels, and military exchanges such as International Military Education and Training (IMET) all enhance interoperability and the ability to react cooperatively in a crisis, whether in the South China Sea or for HA/DR (humanitarian assistance/disaster relief) operations. China's continued assertiveness in its maritime disputes will only increase opportunities for American security engagement with potential partners. Historically, however, this has been the primary focus of American policy, from the post-World War II hub-and-spokes alliance system onward, but relying on these static arrangements will be insufficient to meet the challenges ahead. Continued evolution in these partnerships—such as the Quadrilateral Security Grouping (India, Japan, Australia, and the United States), or the AUKUS (Australia, the United Kingdom, and the United States) pact—will be necessary to meet future security challenges, though the United States should seek to engage Southeast Asian states in future arrangements.⁸⁸ At the same time, however, Washington must commit to an analogous commitment and evolution in economic and diplomatic engagement. In the past, such engagement has waxed and waned based on administration turnover in Washington and fluctuating crises in Asia. Moving forward, the United States would be better served by an uninterrupted presence on all three fronts.

The United States must use all the resources at its disposal when windows of opportunity open—most often, but not always, when there are changes in regime—encouraging economic investment and helping to stabilize in-country laws and politics while also making clear that any abuses will trigger a negative reaction. Security cooperation and continued diplomatic entreaties should play a prominent role to help induce policy change. Democratic backsliding has become more frequent in Southeast Asia, where leaders in several U.S. partner countries, including the Philippines, Indonesia, and Thailand, have wavered in their commitment to

⁸⁶ Shayerah Ilias Akhtar and Marian L. Lawson, "BUILD Act: Frequently Asked Questions About the New U.S. International Development Finance Corporation" (Congressional Research Service, January 15, 2019); "FACT SHEET: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership," The White House, June 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>. The B3W initiative explicitly targets democracies only.

⁸⁷ Ben Kesling and Jon Emont, "U.S. Goes on the Offensive Against China's Empire-Building Funding Plan," *Wall Street Journal*, April 9, 2019, <https://www.wsj.com/articles/u-s-goes-on-the-offensive-against-chinas-empire-building-megaplan-11554809402>; Yun Sun, "Slower, Smaller, Cheaper: The Reality of the China-Myanmar Economic Corridor," *Frontier Myanmar*, September 26, 2019.

⁸⁸ AUKUS is a trilateral security partnership between the United States, the United Kingdom, and Australia that, among other defense technology agreements, will deliver nuclear-powered submarines to Australia.

democratic norms.⁸⁹ A new American approach focused more on the carrot than the stick could help stem the tide and, in concert with allies and partners, encourage a liberal restoration.

This conclusion is likely to draw criticism from human rights and democracy advocates, for whom sanctions are a necessary means through which to signal and punish foreign leaders who break with liberal norms around these issues. The challenge of corruption is likewise an area that is difficult to overcome in some smaller states and could be exacerbated by an unthinking increase in inducements. Continued focus and advocacy around these vital issues, the use of targeted sanctions against individuals who commit crimes against humanity and similar atrocities, and a full-throated rejection of institutions and individuals that engage in such behavior, such as Myanmar's military leaders, should continue to serve as important tools of American statecraft. Still, many of those sanctions have done little to alter regimes' behavior or improve the lot of those living under oppressive regimes in Southeast Asia. Washington should seek to incentivize more transparent and liberal behavior with the promise of economic growth and, when appropriate, deepening of diplomatic ties and security engagement. In regimes for whom performance-based legitimacy is important—all of them, to varying degrees—inducements from external sources can play an integral role in regime survival and thus have the potential to entice cooperation on other issues.

Final Thoughts

Most smaller states in Southeast Asia and beyond emphasize that they do not want to choose between the United States and China, or between any other arrangement of major powers, and with good reason. This choice can limit their policy autonomy, restrict foreign policy opportunities, and expose them to unnecessary risks. Still, smaller states are also limited by geography and size, and must confront these realities to maximize policy autonomy and material benefits while minimizing policy concessions and, for those in power, potential threats to regime survival. U.S. policymakers can and should use this insight to advance ties with smaller states, emphasizing positive incentives in pursuit of shared goals and interests.

Such an emphasis can have important soft power implications for the United States, and though this discussion has largely underplayed the impact of social and cultural influence, soft power can help bend the inducement values at which countries, regimes, and publics will be willing to consider alignment. In doing so, Washington can make smaller state hedging or realignment more likely. Even in smaller states that, from an American strategic perspective, might be considered less consequential—in Southeast Asia, Myanmar, Cambodia, and Laos might be labeled hopeless cases and unworthy of American attention—enticing countries toward better relations with the United States through incremental inducements can translate into important strategic gains. Myanmar's period of hedging, for example, could have proved an important geopolitical win for Washington if Naypyidaw could have been convinced to maintain its hedging position on important issues in U.S.-China relations, such as remaining neutral on China's maritime claims in ASEAN. Such a broad-reaching strategy undoubtedly requires too many political and financial resources to be feasible across the board—persuading all smaller states to side with the United States would be expensive, domestically unpopular, and certainly controversial—but it is where discussions of alignment should begin.

The primary goal of engagement should focus on the needs of smaller states and their citizens, with a purposeful deemphasis on great power competition. Influence is more likely to flow from expanding ties than it is from the threat of restrictions. This suggestion strays dangerously close to Beijing's discourse on "win-win" cooperation and might land poorly as a mere platitude, as Western analysts often label China's calls for mutual benefit. Indeed, the benefits of cooperation with China have not been as rosy as it claims. Still, China has had success engaging with Southeast Asian states in part because Beijing's proposals address important challenges facing these countries. All too often, these promises have proven illusory, and Xi's nationalistic foreign and domestic policies have led Beijing to turn to coercion in increasing measure, evident in China's actions in the South China Sea, toward Taiwan, and in its economic relationships. Despite its protests to the contrary, China appears to be forcing Southeast Asian nations to choose between Washington and

⁸⁹ Joshua Kurlantzick, "The Regional Implications of Myanmar's Coup," *Aspenia Online*, February 12, 2021.

Beijing, and its aggressive posturing and use of coercion make it more likely that, if Washington plays its cards right, regional states will conclude that aligning with the United States is in their best interests.

The United States should make the most of these opportunities. American policymakers can further increase the odds of attracting alignment commitments by offering (and following through on) inducements to meet the needs of Southeast Asian nations, highlighting the benefits of working with Washington toward collective interests, and deemphasizing threats and warnings against partnering with Beijing, which are often viewed as thinly veiled efforts at coercion. In doing so, the United States can better secure the interests of itself and these nations without asking—much less demanding—them to choose between the United States and China.

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