

## PHILIPPINES: Marcos faces only limited risk in allowing US military more access

- After the US defense secretary's visit last week, the US military will have access to nine bases in the Philippines for its
  personnel and equipment.
- President Ferdinand Marcos Jr. would have eventually pulled foreign and security policy to the center compared to his pro-China predecessor, but the military also likely played a key role in informing this shift.
- The immediate risk to Marcos of his policy change becoming controversial is low, whether from former President Rodrigo Duterte or his supporters, or from the historically anti-US left.

On Thursday last week, the Philippines announced during the visit of US Defense Secretary Lloyd Austin that it was granting US forces access to four more still-undisclosed bases under the two countries' 2014 Enhanced Defense Cooperation Agreement (EDCA), adding to the current five, and that joint maritime patrols would also be resumed in the South China Sea. Under EDCA, the US can temporarily station personnel and equipment in those bases. Both sides claim the purpose is to improve training and interoperability between the two militaries, not to grant permanent basing rights. Of the current five EDCA bases, four are airbases and one is the largest military reservation and training area of the Philippine armed forces.

Both developments are marked policy reversals from the administration of former President Rodrigo Duterte — who was vocally anti-American and had threatened to have EDCA reviewed and revoked. In fact, the five military bases where the US now has access were all agreed upon in March 2016, only two months before Duterte was elected, with none having been identified since then. The joint patrols were also stopped soon after Duterte became president.

President Ferdinand Marcos Jr. will continue to emphasize that his administration wants balanced relationships with regional powers to cooperate on common issues such as energy and trade and avoid conflict. But the reality is that Beijing will find Manila to be politically different from the past six years and that the incentives are lower for bureaucrats and politicians to openly adopt pro-China policies.

Not only has Duterte stepped down from office, but also the promises of greater investment into the economy and of some concessions on the maritime territorial dispute that were exaggerated early in his term have gone unfulfilled. For the public, the latter reduced the perceived sheen of closer ties with China — a chance Beijing clearly missed. And there is Marcos. The US was his father's main foreign economic and military patron for nearly two decades. While the Marcos family mythologizes how Imelda helped build Philippine ties with China by charming Mao Zedong, the family has always had greater links to the United States, from the properties they owned to personal ties with US politicians and elites.

## **Bob Herrera-Lim**

Managing Director +1 (646) 561 3514 bob.herreralim@teneo.com

## Military has regained its political footing on security, China

But most importantly, the military, which has more affinity for the Philippines' historical ally, found its political footing in the latter half of Duterte's term as the president's pro-China position started to show its age. It pushed for a more vigorous stance against Chinese activities in the disputed reefs as stories of Philippine fishermen continuing to be denied their traditional fishing grounds became more prominent; environmental damage supposedly caused by Chinese vessels became domestic issues. Defense officials also became more protective of the ties with the US and its military that Duterte tried to dismiss. Under Marcos, the military appears to have found even more space. After only six months, he removed his first choice as national security adviser, an academic, and replaced her with a former armed forces chief of staff. And, as we had written earlier, he has had to carefully traverse the promotion minefields in the military.

For Marcos, the immediate risks from the policy shift are low. Duterte supporters are divided over how to react, reducing the probability of this being an open rift between the president and his vice president, Sara Duterte, on foreign policy. She appears content to not comment on the topic. The left, historically the most vocal against US-Philippine military ties, has voiced a nominal protest but is also constrained by the greater public animosity against China from expanding its anti-US campaign. And large segments of the Filipino elites that supported former vice president Leonor Robredo in the previous elections also prefer closer ties to the United States.

Marcos may even believe that a more central position could provide some incentives to China to negotiate on territorial issues. In December last year, Marcos said the Philippines would try to explore for oil in the South China Sea even without a deal with China. Following an early January visit to Beijing, Marcos said Chinese leader Xi Jinping had promised to "find a solution" over fishing grounds in the disputed waters after he had raised the issue, and to restart talks over oil and gas exploration, implicitly presenting the Chinese as responding to his more assertive stance.

It is unlikely that Marcos has thought his government's foreign and security policy all the way through to an escalation of regional tensions around Taiwan or over disputed waters. However, given the current policy environment and the composition of the leading advisers around him, military and defense officials will have a much more significant say in how the country's security policy evolves compared to the Duterte administration.

Client Portal >>

Bob Herrera-Lim Managing Director +1 (646) 561 3514 bob.herreralim@teneo.com

© 2023 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any particular commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo.

Teneo Asia 2