

**CAN CHINA-PHILIPPINE RELATIONS GO
BEYOND SOUTH CHINA SEA DISPUTE?**

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Executive Summary

1. China-Philippine relations have undergone highly dramatic changes and reversals in the past four decades. The South China Sea dispute has always been a negative factor in the development of their bilateral relations.
2. China has historical claim to the islands and other geographic features in the South China Sea based on surveying expeditions, fishing activities, and naval patrols since at least the 15th century. The Philippines bases its claims of sovereignty over the Spratlys (Nansha Islands) on *res nullius* (“nobody’s property”) and geography.
3. The sovereignty disputes in the South China Sea between the two countries did not emerge until the early 1970s when it was discovered that the region may contain significant deposits of oil and gas. Recently, the Philippines has several run-ins with China over disputed waters in the South China Sea.
4. Both China and the Philippines used the incidents to boldly assert their sovereignty over the area. China took advantage of the opportunity to strengthen its claims of sovereignty over the South China Sea area, while Manila used the showdown to spark nationalist fervor and internationalize the issue.
5. Despite its growing economic relations with China, the Philippines has yet to jump completely on the Chinese bandwagon.
6. Renato, a scholar, believes that “[a]s a close neighbor of China, the Philippines has not yet totally trusted Beijing, and Manila still considers Washington as the least dangerous among the big powers, the best balancer, and the most reliable insurance against an emerging China.”
7. During the height of Manila’s territorial row with China early this year, the Aquino administration raised the prospect of invoking the 1951 Philippine-US

Mutual Defense Treaty if armed clashes were to erupt in the Spratlys. This presents serious challenges for Beijing—how to keep the tensions from rising and the US from being involved in the disputes.

8. The rising nationalism in both countries and their active search for energy resources in the South China Sea will continue to create tensions in their bilateral relations. Future settlement of the controversial maritime boundary disputes is far from certain.
9. However, this is not expected to culminate into military confrontation or lead to the deterioration of trade relations between the two countries. In the light of increasing economic ties and mutual desire for regional peace and stability, the two countries are likely to make every effort to improve bilateral relations.
10. If the two countries can focus more on enhancing mutual trust and bolstering economic cooperation than bickering over territorial disputes, the bilateral relations between China and Philippines have the capacity to move beyond the South China Sea disputes.