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The Philippines

Overview

The United States and the Republic of the Philippines maintain a deep relationship that includes a bilateral security alliance, extensive military cooperation, close people-to-people ties, and many shared strategic and economic interests. The Philippines' history of U.S. administration (1898-1946), which followed 300 years of Spanish rule, also has shaped the relationship. Bilateral relations have faced challenges under President Rodrigo Duterte, elected in 2016, who has pursued rapprochement with China and a violent antidrug campaign. Major areas of U.S.-Philippine cooperation, nonetheless, have continued.

Among Filipinos, popular support for the U.S.-Philippines relationship traditionally has been strong. A 2018 Pew poll found that 83% of Filipinos have favorable views of the United States, one of the highest proportions of any country in the survey, and that Filipinos prefer U.S. global leadership (77%) over that of China (12%). The Philippines is the United States' 23rd largest trading partner, and the two nations conducted \$20 billion in trade in 2017. President Duterte remains popular. A September 2018 poll by Philippine-based Pulse Asia Research showed him with a 75% approval rating.

In September 2018, Secretary of State Michael Pompeo and Philippine Secretary of Defense Delfin Lorenzana met in Washington, DC. Secretary Pompeo pledged support for the modernization of the Philippine Armed Forces (AFP) and U.S. commitment to the Mutual Defense Treaty (MDT). In December 2018, the United States returned the Bells of Balangiga, which were taken by U.S. soldiers in 1901 during the Philippine-American War, a gesture that Manila has long sought. See CRS In Focus IF10990, *The Return of the Bells of Balangiga to the Republic of the Philippines, in Context*.

Defense Relations

President Duterte expressed skepticism of his country's strategic tilt toward the United States under his predecessor, Benigno Aquino III. According to analysts, Duterte has more actively hedged Philippine ties with the United States, its principal diplomatic and security partner, and China, its largest trading partner. The Philippines has expanded its sources of military and development assistance, including from U.S. allies and strategic partners Australia, Japan, South Korea, and India, as well as from China and Russia. The Philippines signed a defense cooperation agreement with Japan, its largest foreign aid donor, in March 2016.

U.S.-Philippine security ties, nonetheless, remain close. U.S. military personnel and the AFP collaborate on counterterrorism efforts, regular joint military exercises, and humanitarian activities in the Philippines. In 2014, under former President Aquino, the two nations signed the Enhanced Defense Cooperation Agreement (EDCA), allowing the increased rotational presence of U.S. military

forces, ships, and aircraft; U.S. access to five Philippine military bases; and the possibility of more joint exercises. The Visiting Forces Agreement, which entered into force in 1999, requires U.S. forces in the Philippines to assume a noncombat role and not to establish a permanent base of operations on Philippine soil. Balikatan ("Shoulder-to-Shoulder"), the premier annual bilateral exercise, took place in May 2018 with 8,000 U.S. and Philippine troops and small military contingents from Australia and Japan.

Philippines at a Glance

Geography: Mountainous archipelago

Land Area: Slightly larger than Arizona

Population: 105 million

Ethnic Groups: Mostly Malay (95%); Chinese, mixed race (Filipino-Spanish, Filipino-Chinese, Filipino-American), and other (5%).

Religious Affiliation: Roman Catholic (81%); other Christian (9%); Muslim (5%); other (5%).

Gross Domestic Product (GDP): \$877 billion (purchasing power parity). Global ranking: 29.

Per Capita GDP: \$8,400 (purchasing power parity).

GDP Composition by Sector: Agriculture (9%); Industry (31%); Services (60%).

Life Expectancy: 69 years

Literacy: 96%

Source: Central Intelligence Agency, *The World Factbook*, 2018.

"War on Drugs"

According to official statistics, there were an estimated 1.8 million users of illegal drugs, mostly methamphetamines, in the Philippines at the start of Duterte's anti-narcotics campaign in July 2016. Since then, between nearly 5,000 and over 12,000 drug suspects have been killed in the government's "War on Drugs," also known as "Operation Double Barrel." The government claims that nearly 5,000 were killed by police in legitimate law enforcement operations. Human rights groups say that virtually all of the killings have been carried out without due process, and that the vast majority of victims have been poor, low-level offenders. They allege that police have collaborated with vigilantes, planted evidence at the scenes of killings, fabricated reports, and held suspected drug offenders for ransom. In March 2018, Duterte announced that the Philippines would withdraw from the International Criminal Court after the tribunal launched a preliminary investigation into possible "crimes against humanity" related to the drug war. See CRS In Focus IF10743, *The Philippines: War on Drugs and Human Rights Concerns*.

Separatist Movements and Islamist Extremism

The Philippines has long battled separatist movements in the South, largely from Muslim groups seeking autonomy in the Catholic-majority nation. Given the Philippines' relatively open borders, splinter groups sometimes have formed links with militants overseas. In May 2017, a coalition of Filipino Islamist extremist groups that had pledged allegiance to the Islamic State (IS), along with dozens of foreign fighters, laid siege to Marawi, a city on the southern island of Mindanao. The Philippine military retook the city in October 2017, utilizing considerable U.S. assistance. The conflict resulted in the deaths of nearly 900 militants, over 150 AFP troops and roughly 50 civilians, as well as the destruction of much of the city.

In February 2018, the Department of State added ISIS-Philippines (ISIS-P), also known as Daulah Islamiyah, a loose collection of groups who have pledged allegiance to IS, to its list of Foreign Terrorist Organizations. The AFP has continued to engage in low-level clashes with ISIS-P, whose numbers dropped to an estimated 200 fighters during the battle for Marawi, but which may have rebounded to an estimated 500.

In July 2018, the Duterte government and the Moro Islamic Liberation Front (MILF), an armed Muslim separatist group, reached agreement on the creation of an enlarged and more self-governing administrative region in Mindanao and the Sulu Archipelago. A plebiscite is to be held in December 2018 and January 2019 in the provinces and other administrative areas that may be included in the new Bangsamoro Autonomous Region in Muslim Mindanao.

The United States provides various forms of assistance to the Philippines to address terrorist threats and the underlying economic and social conditions that may give rise to violent extremism. About 250 U.S. military personnel serve in advisory roles. In 2017, the Department of Defense (DOD) launched Operation Pacific Eagle-Philippines (OPE-P), aimed at assisting the AFP in combatting violent extremist organizations and defeating local IS affiliates. DOD obligated \$100.2 million for OPE-P in FY2018. In July 2018, the U.S. government announced that it would provide \$26.5 million in State Department counterterrorism assistance (for Philippine law enforcement) over a two-year period. The U.S. Agency for International Development (USAID) has committed \$59 million for humanitarian and recovery efforts in Marawi and has launched a three-year, \$25 million program to help restart local businesses and expand livelihood opportunities.

Maritime Tensions with China

The Philippines and China have sovereignty disputes over waters and land features in the South China Sea, which the Philippines calls the West Philippine Sea. Tensions have risen sharply since 2012, as China has conducted large-scale reclamation and construction on several disputed features in the Spratly archipelago, and effectively occupied Scarborough Shoal, a rich fishing ground about 123 nautical miles off the main Philippine island of Luzon.

In 2013, the Aquino Administration filed for arbitration under the United Nations Convention on the Law of the Sea

(UNCLOS), asserting that aspects of China's maritime claims and actions in the South China Sea violated UNCLOS. In 2016, an UNCLOS tribunal concluded that China's claims to certain areas that would overlap with the Philippines 200 nautical mile Exclusive Economic Zone have no legal basis. The tribunal also found that China had violated its UNCLOS obligations by blocking access to Filipino fishermen at Scarborough Shoal, interfering with Philippine oil and gas exploration at Reed Bank, and damaging the marine environment by reclaiming land and constructing artificial islands. China declined to participate in the proceedings and declared the verdict "null and void."

The Duterte government has shifted strategy, and largely has ignored the ruling of the UNCLOS tribunal. It has instead focused on finding ways to cooperate with China in the South China Sea, including through joint energy exploration that would shelve questions of sovereignty, and sought Chinese development loans, investment, and assistance with large infrastructure projects in the Philippines. Duterte also suspended U.S.-Philippine joint maritime patrols, which many analysts believe was aimed at stabilizing relations with China.

In November 2018, Chinese President Xi Jinping visited President Duterte in Manila. At the meeting, Duterte proclaimed the "positive momentum" in the relationship and a "new chapter" of cooperation, while Xi stated that the "two countries are partners in seeking common development." They did not come to any concrete agreements or understandings, however, on the territorial disputes, joint resource exploration, or the status of \$24 billion in economic projects and financing that China pledged in 2016, most of which has not yet materialized.

The U.S.-Philippine Mutual Defense Treaty requires the two countries to help defend each other against external armed attack. Some analysts note that the MDT does not explicitly obligate the United States to defend maritime areas that are disputed by the Philippines and other nations. U.S. officials have not publicly confirmed whether the treaty applies to disputed features in the South China Sea.

Other U.S. Assistance

U.S. assistance to the Philippines, which totaled \$152.8 million in FY2018, supports military modernization, counterterrorism activities, efforts to reduce barriers to U.S. trade and investment, and rule of law programs. The U.S. Millennium Challenge Corporation (MCC) administered a \$434 million aid compact in the Philippines (2010-2015), which focused on tax reform, poverty reduction, and infrastructure. The Philippines, the largest recipient of U.S. military assistance in Southeast Asia, is to receive \$60 million out of the \$300 million in regional security assistance announced by the Department of State in August 2018. In addition, the Philippines is the primary recipient of assistance under DOD's five-year (2016-2020), \$425 million Southeast Asia Maritime Security Initiative.

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