Convergence
A Journal for Young Researchers

ORIGINAL RESEARCH

Received: 7-20-25; Accepted: 9-6-25;
Managing Editor: Jonas Katona;
Action Editor: Benjamin Goldstein

A Political and Economic Analysis of the Luzon Economic Corridor

Yu-Ming Liu

Henry M. Gunn Senior High School, Palo Alto, California, United States of America

Abstract

This paper examines a trilateral initiative between the United States, Japan, and the Philippines called the Luzon Economic Corridor (LEC) that aims to invest around $100 billion USD into the Philippine economy and ultimately improve it in a number of sectors such as agriculture and energy. This paper examines why the U.S. specifically is powering this policy through the lens of wider Indo-Pacific tensions, specifically that of China-Philippines disputes. Looking at the LEC using neorealism and continuously comparing it to the alternative frameworks of liberalism and constructivism in multiple aspects, this paper contends that the U.S.'s motivation behind the LEC is to counter Chinese influence, using power-balancing as its mechanism. Gathering evidence from academic publications, government documents, and news outlets, this paper explores how the LEC is inherently a realist strategy. Although the program was created under the administration of former U.S. president Joe Biden and current president Donald Trump may appear to threaten the policy, this paper argues that Trump will still fund the LEC due to its strategic value and shares indicators proving that the LEC is inherently realist.

Keywords: Luzon Economic Corridor (LEC), U.S.-China relations, South China Sea, realism in international relations, Philippine foreign policy, Trump administration foreign policy, infrastructure investment, Indo-Pacific

1. Introduction

Within the Indo-Pacific region that houses critical trade routes and developing nations, the Philippines is very important for geopolitical strategy as a strong ally of the U.S. while being very close to China. In 2024, the U.S., through a partnership with the Philippines and Japan, announced a plan to invest billions into Philippine infrastructure and modernization through an initiative called the Luzon Economic Corridor (LEC) (Brands, 2024). China, as a main U.S. rival on the international stage, has similarly attempted to establish the nation's dominance in the region through heavy investments

into the Philippines. More recently, under the current Trump administration, it would seem that the LEC has been greatly disrupted due to his policy of isolationism. This paper contends that the LEC will continue as planned under its realist framework. This paper offers a realist model for investigating U.S. foreign policy motivations in the Philippines to counterbalance China's rising power, particularly in the context of tensions and incidents in the South China Sea.

Violence in the South China Sea has increased in frequency in the 2020s, with alleged incidents of the Chinese Coast Guard boarding Philippine vessels and attacking sailors with knives and axes near the disputed territory of Second Thomas Shoal (Al Jazeera, 2024). Other similar events of Chinese vessels assaulting those of other nations include a reported occurrence of Chinese soldiers terrorizing Vietnamese fishermen and destroying their property (Dinh, 2024). In order to protect its interests in the region—namely protecting commercial routes from Asia and balancing against China—it would be beneficial for the U.S. to take action in the region. The LEC, which has the potential to curb Chinese influence, represents the U.S.'s efforts in this arena.

The use of the balance of power strategy has been prevalent in the Indo-Pacific in the past few decades, especially regarding China. With China having built up its military strength and becoming one of the leading militaries in the world—designated as a top five military power by the Global Firepower Index in 2025 (Global Firepower, 2025)—its smaller neighbors have reacted with alarm and attempted to balance this power through both military investment and alliances with stronger powers. The U.S. is one key power that such nations have flocked to, and due to the fact that China has a reputation of ambitious expansion, these nations also have tended to not ally with China in the past to avoid the potential of security and land concessions.

This paper examines the LEC as a case study for the overarching strategy of the U.S. within the South China Sea, specifically given its goals to deter China. Using neorealist perspectives, this paper argues that the US's intervention in the Philippines through the LEC is strategically framed to benefit U.S. interests abroad by counteracting China's power, a balancing action that would re-strengthen a key US-Philippine relationship and secure this vital nation from Chinese hegemony. The paper will first examine the Philippines within the context of its foreign policy in relation to the U.S. and China, considering key events that have defined its geopolitical trajectory. The paper then moves into the LEC's creation, its prospective impacts on the Philippines, and its implications for the U.S. and China were it to continue. The new Trump administration may seem like a threat to the LEC at a surface-level given his attempted reductions of U.S. foreign aid and federal spending suggesting that the LEC may be his crosshairs. However, the following section of this paper argues that Trump will continue the LEC even though it may appear to go against his ideals of isolationism since the LEC's underlying logic is realist and therefore offers Trump an opportunity to advance the U.S. 's power. Overall, this paper conveys that the LEC is a strong offensive strategy for the West to deflect Chinese attempts at global influence. Examining academic and policy sources, this paper will explore how realist thought can be applied to this inherently anarchic system to analyze the motivations behind the LEC. Specifically, this paper relies on academic journals, monographs, news articles, official reports, press releases, and government statistics. Examining past information on the relations between the Philippines and the US, I sought to connect the LEC to the pattern of U.S. strategy in the Indo-Pacific and identified some incentives for the U.S. in this case.

2. Literature Review

Realist perspectives such as that of Hans Morgenthau and Kenneth Waltz—pioneers of classical realism and neorealism respectively—are especially applicable to the current South China Sea situation, including the LEC. According to Morgenthau, actors make decisions based on some concept of power along with aspects of human nature such as greed and fear in order to further their own interests, focusing on their own gains in order to rationally advance themselves and

their own power (Morgenthau, 1948). Since, in a neorealist perspective, states aim to advance their own interests by any means possible due to a lack of regulation in an anarchical system, it follows that when some states get too powerful and threaten others' interests, actions to balance power may occur between weaker states in the region (Waltz, 1979). After an international tribunal ruled largely in favor of the Philippines in a 2016 arbitration regarding Chinese aggression against the Philippines in the South China Sea and its violations of the United Nations Convention on the Law of the Sea, China refused—and continues to refuse—to comply with the ruling (Campbell & Salidjanova, 2016). Therefore, Chinese aggression is not fully contained by peacekeepers. Since China does not engage with mediations by international bodies, the South China Sea situation can be viewed as inherently anarchical. This follows neorealist principles that support an anarchy-driven viewpoint of international relations, since violations of international law are not properly kept in check by enforcers. Thus, power balancing is a rational act by smaller nations through neorealism since China is viewed as a threat to their security.

Some argue that realism is less applicable to Asian relations and is more accurate for discussions of European relations since this school of thought inherently has European roots. Such critics assert that bandwagoning is more appealing than balancing in Asia, since Asia operates under a China-centric hierarchy. For instance, David C. Kang argues that under realism, the Taiwan-China conflict merits a larger reaction from Japan and South Korea in support of Taiwan to protect themselves from Chinese hegemony—a reaction that has not occurred for decades—and points to historical bandwagoning towards China pre-1900s (Kang, 2004). However, Kang misrepresents neorealism, as from a Waltz-like point of view, both bandwagoning and balancing could be viable options given different situations. Additionally, Kang's evidence is largely outdated, and new evidence actually specifically supports neorealism due to China's disregarding of the 2016 arbitration ruling and continued harassment of foreign vessels that point to anarchy's dominance in the status quo.

Alternative schools of thought such as liberalism and constructivism offer differing interpretations to the Asian region. Liberals typically believe in international cooperation and enforcement of international law and that state preferences' differences lead to certain consequences, both positive and negative (Moravcsik, 1997). They also argue that differences or similarities in values and preferences among states will cause a variety of relationships to form, with similarly-minded states being more likely to work together to simultaneously benefit. One could argue that liberalism could rationalize the LEC as an example of the Philippines seeking to forge strong connections with the U.S. since both nations share democratic values. Constructivists support the notion that international relations depend upon norms and social constructs, such that states take on identities shaped by their history, culture, government, etc. that others can recognize (Hopf, 1998). China's history as the most powerful nation in Asia could therefore motivate it to reclaim its former glory.

While liberalism and constructivism may seem compelling, neorealism prevails as the most applicable theory in the China-Philippines situation simply because of China's position as the major power within the anarchical Indo-Pacific. The security concerns presented by China are not restricted by any international peacekeeping body, and the asymmetrical power dynamic of China compared to the Philippines militarily and economically has led to power balancing with the Philippines seeking reliance upon the U.S. for help. Liberalism, on the other hand, relies upon the international peacekeepers' ability to prevent conflict within the region, which has not happened so far. Its emphasis on cooperation would imply that China and the Philippines should work together to solve this issue, which seems unrealistic under the current Filipino administration of Ferdinand Marcos Jr. that has already made efforts to power balance towards the U.S. (Kurlantzick, 2024). Constructivism correctly assumes China's motives for its expansion, since China claims that large swaths of the South China Sea are its historical inheritance. However, China's threat to the Philippines is not social and instead regards security and coercion. This does not fit into the constructivist narrative that the standoff is between two nations with a shared history and complex societal relations.

Additionally, the LEC is a clear-cut example of neorealism's applicability to the region at hand, since its counterbalancing

initiatives already exemplify an American administration that battled with China over the alliance of the Philippines. For instance, transportation and infrastructure projects such as the Malolos-Clark Railway connect major economic centers and protect trade from Chinese influence, securing the Philippines as an ally instead of China (Malolos-Clark Railway Project, 2024). Therefore, realism can be used as a framework within the seemingly anarchical China-Philippines standoff, and it can be understood as the motivation behind the U.S. legislation discussed in this paper.

China-Philippines relations have severely degraded in the past few decades due to China's expansive and ambitious claims to the South China Sea through the nine-dash line plan — a controversial maritime boundary that has led to many land disputes with their neighbors along with violence (Caruana, 2023). For example, in 2023, Philippine resupply missions to regions within their own exclusive economic zone were intercepted by the Chinese Coast Guard, and since then, Chinese attacks on vessels have become increasingly common. In 2024, what has been called the most violent conflict between vessels from the two nations occurred, with the Chinese Coast Guard ramming Philippine supply ships near Second Thomas Shoal. A tentative agreement between the two was reached to stop further violence for a period of time, although it would appear that the Chinese have continued their attacks throughout 2025. These conflicts are not just between China and the Philippines, with similar instances of harassment being reported by Vietnam (Timeline: China's Maritime Disputes, n.d.). In general, the South China Sea remains a state of alarm and tension with Chinese claims over the geography included within the nine-dash line causing a myriad of territorial disputes with smaller nations, prompting U.S. involvement to prevent China's spread (Ratcliffe, 2024).

China's highly controversial Belt and Road Initiative (BRI) also exemplifies Chinese expansion, only around the globe through an ambitious network of massive infrastructure and transportation projects through Asia, Africa, and Europe that are normally funded by Chinese state-owned enterprises—government-owned businesses that work in specific economic sectors such as infrastructure (Hillman, 2018). As political scientist and researcher Sypha Chanthavong has observed, the BRI has been criticized for using "debt trap diplomacy" to "obtain economic or political concessions" from its debtor countries, using massive loans to build projects and collecting collateral after an inevitable default (Chanthavong, 2024). The BRI fits into a neorealist, anarchical view of Chinese relations, since with no international mediator preventing its investments and contentious actions, China can expand its power through any means it can afford. Smaller states will also be likely to accept said loans due to their potential relative gain in power. Constructivists would argue that the BRI fits the Chinese narrative of restoring its historical grandeur in the modern era and liberals would assume mutual economic benefits for all parties involved. However, China has coercively managed to take ownership over infrastructure projects in the receiving nations in some cases. For instance, China's BRI initiative in Sri Lanka led to China Merchants Port Holdings, a Chinese SOE, effectively holding 85 percent of shares in Hambantota Port after funding its construction (Chanthavong, 2024). Therefore, Chinese loans may have an ulterior motive of creating dependence, and China can dominate nations' economies around the world as a result. Neorealism therefore best explains China's aggression since no international body can prevent its expansion, so they have free rein to expand their power.

According to Congressional Research Service naval affairs analyst Ronald O'Rourke, for the U.S. to counter China's behavior in the South China Sea, it must prevent further harassment of Philippine sites and encourage China to accept the 2016 arbitration ruling denying their claims over this territory (O'Rourke, 2020). One key element of a U.S. strategy that O'Rourke does not discuss much is investment, which could be used to dissuade nations such as the Philippines from bandwagoning to China's side in an attempt to guarantee their own safety. The LEC is a perfect example of investment as a strategy to counter China.

3. Analysis

Recent developments

The Philippines' economic status renders it open to outside influence and investment such as through initiatives like the LEC. Currently, it is deemed a developing country by the World Bank with the services sector comprising 62 percent of the GDP. Economic growth has been steady with the GDP consistently increasing by between 5 and 7 percent a year since the COVID-19 pandemic (World Bank, n.d.). Historically, the Philippines has been a strong ally to the more democratic West, which started with the U.S. granting its former colony independence in 1946 and establishing a Mutual Defense Treaty in 1951. The MDT played an extremely important role in establishing a U.S. military presence in the Philippines, such as the Subic Bay Naval Base. In the past three decades, Filipino workers also have migrated to the U.S. and other more developed nations en masse, with remittances from overseas Filipino workers (OFWs) reaching around $37.2 billion in 2023. Most OFWs are motivated to work abroad in order to sustain their family back home financially, and are seen as heroes by their culture. By spurring consumer spending, remittances made up around 8.5 percent of the Philippine GDP in 2023 (Fintech News Philippines, 2025).

While the Philippines has historically deferred to Western interests, one recent administration has altered the course of the Philippines' political allegiances: that of President Rodrigo Duterte (2016-2022), who ruled with an iron fist and criticized the U.S. and E.U. while supporting China (Lema & Petty, 2018). For instance, in 2019, the Duterte administration defended China against international accusations of persecution of Uyghurs via a petition to the UN Human Rights Council that was also signed by 36 other countries (France-Presse, 2019).

Additionally, Duterte increased Chinese investment to the Philippines through the BRI with China pledging to invest $24 billion into the Philippines (Lema & Petty, 2018). This amount was partially delivered but ultimately canceled by Duterte's successor Ferdinand Marcos Jr. Duterte also sought to cancel the Visiting Forces Agreement, one of the pillars of the U.S.-Philippines relations that encourages their military alliance. Former U.S. Secretary Lloyd Austin ultimately convinced him to keep this bilateral military agreement in place in June 2021. After Duterte left office, Marcos Jr. gravitated back towards the American agenda in accordance with his father and former president Ferdinand Marcos' pro-Western policy, cutting ties with China by canceling BRI investments (Kurlantzick, 2024). The U.S. has also shored up its defenses in relation to the Philippines: in 2023, Marcos moved to extend the Enhanced Defense Cooperation Agreement (EDCA) established in 2014 that allowed the U.S. military to post personnel in Philippine bases on different islands of the archipelago, creating four new EDCA sites (Fact Sheet: U.S.-Philippines Bilateral Defense Guidelines, 2023). Former U.S. president Joe Biden also warned China that "any attack on Philippine aircraft, vessels, or armed forces in the South China Sea [would] invoke [the] Mutual Defence Treaty" in 2024 in response to Chinese harassment of fishing boats in the region (Heydarian, 2024). Constructivists would interpret these shifts in domestic policy as a national identity crisis due to Duterte's anti-Western rhetoric being a complete opposite of the pro-U.S. Marcos'. Liberals would imply that Marcos' return to U.S. support was likely due to their shared values of democracy. However, neither of these theories fully explain the material problems at hand: with Chinese investment being inefficient and harassment on the South China Sea continuing despite Duterte's bandwagoning to the strong and hegemonic China, Marcos' pivot to balancing seems more of a realist action to improve national security.

The Luzon Economic Corridor was developed in April of 2024 as a trilateral initiative between the U.S., Japan, and Philippines to funnel $100 billion from the U.S. and Japan into various sections and industries of the Philippines, hoping to build greater interconnectivity (Philippines Luzon Economic Corridor, 2024). Specifically, the plan develops green energy supply chains, invests in the semiconductor industry, and improves infrastructure and transportation. Major projects aim

to connect parts of the Philippines crucial to economic development. Coming from the efforts of former U.S. president Joe Biden's administration, it reflects Biden's policy of using alliances with Indo-Pacific nations to counter possible Chinese influence. Realist interpretations of the LEC outperform that of liberals and constructivists, seeing as the LEC specifically invests into sectors that China has leverage in, strengthens the regional bloc against China, and therefore reduces Chinese control over the Philippines' resources. Liberals would stress the win-win coming from such economic cooperation and constructivists would argue that the LEC signals democracy's reinvigoration in the region, but neither of these arguments address the fact that particularly contentious sectors regarding China were selected for investment as well as realist balancing principles can.

Political Motivations

One key motivation of the U.S. for the LEC is its current geopolitical competition with China in the Indo-Pacific. China's financing of large-scale projects and investments, particularly in developing nations, has allowed the CCP to extend its influence around the Global South, including across much of Africa, Asia, Europe, and the Americas. BRI infrastructure loans have encouraged Cambodia to reevaluate their diplomatic efforts with the U.S. as they moved closer to China, setting an ominous precedent that other Indo-Pacific nations may turn away from the U.S. and the West as a whole (Hillman, 2018). Therefore, the BRI's wide and growing influence around the globe poses a threat to U.S. authority abroad. To rival the Chinese in investing into developing nations, G7 nations, consisting of the U.S., UK, Italy, Germany, Canada, France, and Japan, formed the Partnership for Global Infrastructure and Investment (PGII) in 2022 at a summit in Germany. This organization pledged to invest $600 billion into construction and infrastructure in middle to low-income countries over five years, a parallel initiative to the Chinese BRI (Tan, 2022). The LEC, as a project under the PGII, secures and improves ties between the Philippines and G7 nations by overturning the political implications from Duterte's BRI integration while simultaneously securing a foothold for U.S. influence and reducing Philippine reliance on China in infrastructure and energy.

It is of utmost importance for the U.S. to gain the Philippines back as an ally after Duterte's fervor for China. Having an increasingly powerful friend in the Indo-Pacific is beneficial for the U.S. in its political rivalry against China. Applying Morgenthau's principles of realism, nations constantly compete for increased influence and power (Morgenthau, 1948). Therefore, in the U.S.-China standoff, whenever one side benefits, the other will likely be worse off. In the case of the Philippines, if the U.S. re-established strong political ties, China would lose its footing in influencing this pivotal nation.

But apart from their long-term ties, why is the Philippines so enticing for the U.S.? One reason lies in the shipping lanes. The South China Sea constitutes the biggest trade route to and from East Asia, and it is estimated that around one-third of total maritime shipping heads through it (EIA, 2024). The Philippines claim sovereignty over the Luzon Strait, which is a route used by 44 percent of the global fleet when navigating the South China Sea. However, China claims almost the entirety of these waters under its nine-dash line plan, leading to disputes over the line's boundaries and Chinese hegemony (Caruana, 2023). Chinese claims also overlap with Philippine territories at Scarborough Shoal. Chinese aggression in its desired territory is worrisome for Western interests, as Chinese influence over the region would allow the CCP to control distribution of goods globally, not to mention threaten allies in the region. For example, around 10 billion barrels of petroleum passed through the South China Sea in 2023, which represents around 30 percent of total oil trade (EIA, 2024). As they already have shown aggression towards foreign vessels on the waters, it is very likely that China will continue to escalate such tensions if allowed to expand unchecked. Trade in the South China Sea therefore holds great significance: nations that manage to act as middlemen in the region or hold large swaths of these waters have more say over large amounts of resources, allowing them to inherently advance their own interests by holding leverage over other nations. Waltz argued that nations in anarchical situations would rationally make decisions to improve their own power and enhance national security (Waltz, 1979). This situation is uniquely neorealist in that no international body has come to physically prevent China's aggression, so the

anarchy in the South China Sea pushes regional nations to rationally balance. Applying this theory to the aforementioned situation, the LEC, by enhancing the economic relations between the U.S. and Philippines, is rational since it balances in a manner that is encouraged by the anarchy it faces.

This aspect of balancing power in international relations is key when discussing U.S.-China relations. According to neorealist ideals, alliances and political ties are extremely important in protecting nations from external threats, namely those of other aggressive nations. Specifically, neorealist thought assumes that power is essential to a nation's survival, and with the world being in a state of inherent anarchy, alliances are necessary to balance against some superior threats. Applying this framework to the current Philippine dilemma, the U.S. and Philippines, through the LEC, invigorate their alliance and stance against Chinese aggression. Chinese behavior can also be seen as rational through neorealism. As one of the major powers in Asia, its expansion of power through any means necessary, controversial or not, exemplifies a reaction to enhance its survival in an anarchical world.

For instance, China has called for the "great rejuvenation of the Chinese nation" as one of its largest goals, implying a likely military invasion of Taiwan (Military and Security Developments Involving the People's Republic of China 2024). In such an event, the Taiwan Strait could become compromised. According to U.S. Department of Defense reporter Jim Garamone, "a major conflict in the [Taiwan Strait] would result in thousands of casualties and jeopardize more than $2 trillion dollars in global economic activity, igniting a global economic depression" (Garamone 2023). The LEC indirectly secures an alternative trade route—the Luzon Strait—and, in an insurance-like manner, protects U.S. shipping within the region.

The LEC also aims to reduce Chinese intervention in the Philippines, showing that the U.S. is willing to invest at the same level that China did during the Duterte administration. Specifically, the energy and electricity projects within the LEC provide strong competition to Chinese energy investments. The State Grid Corporation of China, a Chinese SOE, owns around 40% of the National Grid Corporation of the Philippines, which is the nation's main state-owned power grid (Maderazo, 2025). The energy sector, key to developing a first-world country by providing a higher quality of life to inhabitants, is currently influenced by China, meaning that China can gain leverage over the Philippine economy. The LEC announcement promises clean energy deployment, which would reduce the Filipino dependence on fossil fuels and Chinese companies. USAID had planned to invest $750 million into the Philippines from 2020 through 2025 for energy security means, implying that the U.S. is more than capable of upping their investments (Quitzon & Poling, 2024). The LEC plants an American stake in Philippine development by allowing the latter access to better and cleaner technologies to fuel their energy demands. Realism would stress the existence of a zero-sum game between the U.S. and China where gains for one nation in their relations with the Philippines result in losses for the other, such as weakened influence on the economy. Alternatively, liberals would find that the economic relationship between the Philippines and China could bring the two together, likely with China being the dominant party, and constructivists would find that the Philippines metaphorically recognizes and accepts China's influences. Neorealism still prevails as the best perspective regarding energy in this scenario, though, since it frames energy dependence on China as a security concern where the U.S.'s actions are necessary as counterbalance. Whether or not these efforts will effectively thwart Chinese influence remains to be seen.

China also could strike a crucial blow in a successful Taiwanese invasion by gaining control of Taiwan's lucrative semiconductor industry. The U.S. imports 44 percent of their logic chips—crucial parts of all electronics—from Taiwan, meaning that the U.S. would face extreme shortages in digital devices and be left ruined in this sector (Jones et al., 2023). The Philippines are also a valuable Pacific ally for Taiwan in this respect. At a joint press conference with the Philippines on July 30, 2024, former Secretary of State Antony Blinken's remarks implied the importance of the Philippines to the U.S. due to its engagement in the semiconductor industry: "the Philippines is a priority partner on semiconductor manufacturing" with "twenty percent of global assembly, testing, and packaging [taking] place here in the Philippines" (Joint Statement on the

Philippines-United States Fourth 2+2 Ministerial Dialogue, 2024). The LEC projects the future revamping of supply chain flows for semiconductors. In such a case, with the Philippine semiconductor industry becoming a prominent and reliable source, the U.S. could cash in early, as the Philippines only exported $2.96 billion worth of semiconductors in 2023 compared to the $62.3 billion of China in 2023, but is expected to grow 10 to 15 percent per year until 2027 (YCP, 2024). The example of the semiconductor industry illustrates how the LEC is projected more broadly to enhance U.S.-Philippine military cooperation and methods of reducing dependence on China.

The Trump Update

The second U.S. administration under Donald Trump has led to uncertainty around U.S. foreign policy, implying some variability over the LEC's fate. As an international global leader, he is definitely a volatile character, and it is difficult to categorize his foreign policy. His actions, in some cases, cede U.S. power and influence by weakening relations with other nations, seemingly contradicting realist ideals that argue that states will expand their power through any means necessary. For instance, Trump has called NATO's mutual defense clause into question (The Guardian, 2025) and began the process of removing the U.S. from the World Health Organization (Yamey & Titanji, 2025). Additionally, during his inauguration week, Trump signed 37 executive orders, including "Reevaluating and Realigning United States Foreign Aid." This executive order stated that all foreign aid and development would pause for 90 days, with each case of foreign aid being examined over this time period by its respective departments or agencies to gauge whether they should be continued, modified, or ended (White House, 2025).

Relative to Trump, a few indicators exist to test whether neorealism is the logic underneath the LEC instead of other frameworks: firstly, Trump would continue the LEC due to its counterbalancing initiatives that reduce Philippine reliance on China in key sectors such as energy, and likely consider continuing foreign aid in a quid pro quo manner. Another indicator would be if Trump prioritizes projects that have logistical and military benefits, since in a neorealist framework, infrastructure aims to enhance a nation's power and security. Since Trump prioritizes U.S. gains over economic cooperation and mutual benefit, if liberalism was perceived to be at the core of the LEC, Trump would reduce the LEC's funding or cancel the project entirely due to his dislike of foreign aid if there is no strategic benefit for the U.S. If constructivism was at the forefront, the promotion of the U.S. and Philippines' shared value of democracy would be overtly stressed. Trump, who maintains a transactional foreign policy, does not center his actions around the promotion of U.S. values such that he would likely reject constructivist logic and embrace his campaign slogan of "America First" to promote U.S. growth (Frum, 2020).

Indeed, there is some precedent to suggest that neorealism is the most accurate theory behind Trump's actions regarding the LEC. Specifically, Trump's Secretary of State Marco Rubio confirmed that the U.S. would proceed with the LEC (Talosig-Bartolome, 2025). Philippine National Security Council representative Jonathan Malaya echoed this sentiment, stating that "all their projects here are aligned with Trump's vision of making the U.S. more secure" (Heydarian, 2025).

Additionally, in his first term, Trump favored Philippine interests as a whole and also recognized the geographic and strategic value that the Philippines holds in relation to China. For instance, Trump backed the Philippines through the Drug War and its extrajudicial nature, looking to reinforce their alliance when Duterte attempted to move away (Pennington, 2017). Therefore, the precedent shows that Trump acts mainly to advance his power and network of alliances to promote world security regardless of values, such that he adheres to realist ideals when taking action on matters regarding this ally.

4. Conclusion

The LEC is not just a method for the Philippines to accelerate their economic growth, but instead is part of the U.S. strategy

to reaffirm their strength in the South China Sea, especially in the face of growing Chinese aggression in the region. Through a realist point of view, the LEC is an action that attempts to balance the power dynamic of the region by bringing the U.S. up to par to China in terms of investment and hegemony, aiming to reinforce an alliance with the Philippines after Duterte turned to China from 2016 to 2022.

With the key factors and problems discussed above regarding the LEC, there exist a few outcomes with the US's role in the second Trump administration: the U.S. completely pulls out of the deal, reduces its funding, or delivers as promised. The burden of ensuring that the deal runs smoothly is currently resting on the Marcos administration, but President Marcos has stated publicly that he has confidence in the plan continuing. This confidence from the Philippines' side, combined with Trump's pattern of anti-China action by any means possible, implies that the LEC has enough strategic value and therefore be maintained.

The LEC is a part of a broader strategy within an overarching political rivalry in the South China Sea between the U.S. and China. With recent events such as Chinese harassment of Philippine vessels, it is clear that the Philippines, one of the U.S.'s longtime allies but also a geographical neighbor of China, may be caught in the crossfire. Thus, the U.S.'s utilization of the Philippines as a deterrent to China represents an offensive move against China in their game of chess.

5. References

2025 *China Military Strength*. (2025, January 9). Global Firepower. Retrieved June 6, 2025, from https://www.globalfirepower.com/country-military-strength-detail.php?country_id=china

Brands, H. (2024, March 27). Biden Counters China by Partnering Japan and the Philippines. *American Enterprise Institute - AEI*. https://www.aei.org/op-eds/biden-counters-china-by-partnering-japan-and-the-philippines/

Campbell, C., & Salidjanova, N. (2016, July 12). *South China Sea Arbitration Ruling: What Happened and What's Next?* https://www.uscc.gov/sites/default/files/Research/Issue%20Brief_South%20China%20Sea%20Arbitration%20Ruling%20What%20Happened%20and%20What%27s%20Next071216.pdf

Caruana, A. (2023, July 5). *MAP Spotlight: Nine-Dash Line*. ICAS. Retrieved July 10, 2025, from https://chinaus-icas.org/research/map-spotlight-nine-dash-line/

Chanthavong, S. (2024). Laos-China Railway: Legal, Social, Economic and Environmental Perspectives. In N. Peng & M. Y. Cheng (Eds.), *The Reality and Myth of BRI's Debt Trap* (pp. 91–108). Springer Nature Singapore. https://doi.org/10.1007/978-981-97-1056-0_6

China Coast Guard accused of behaving 'like pirates' in South China Sea. (2024, June 20). Al Jazeera. Retrieved June 12, 2025, from https://www.aljazeera.com/news/2024/6/20/china-coast-guard-accused-of-behaving-like-pirates-in-south-china-sea

FACT SHEET: U.S.-Philippines Bilateral Defense Guidelines. (2023, May 3). U.S. Department of Defense. Retrieved January 16, 2025, from https://www.defense.gov/News/Releases/Release/Article/3383607/fact-sheet-us-philippines-bilateral-defens

e-guidelines/

France-Presse, A. (2017, October 13). Philippines president Duterte threatens to expel EU ambassadors in 24 hours. *The Guardian*. https://www.theguardian.com/world/2017/oct/13/philippines-president-duterte-threatens-to-expel-eu-ambassadors-in-24-hours

France-Presse, A. (2019, *July* 13). *37 countries, including Philippines, defend China over Xinjiang in UN letter*. philstar.com. Retrieved May 23, 2025, from https://www.philstar.com/headlines/2019/07/13/1934386/37-countries-including-philippines-defend-china-over-xinjiang-un-letter

France-Presse, A. (2024, October 4). *Philippines condemns China attack of Vietnamese fishermen*. Voice of America. https://www.voanews.com/a/philippines-condemns-china-attack-of-vietnamese-fishermen-/7810817.html

Frum, D. (2020, May 30). Opinion: 'America First' means America alone – and in a postpandemic world, that would be disastrous. *The Globe and Mail*. https://www.theglobeandmail.com/opinion/article-america-first-means-america-alone-and-in-a-postpandemic-world/

Garamone, J. (2023, September 19). *U.S. Strengthening Deterrence in Taiwan Strait*. U.S. Department of Defense. https://www.defense.gov/News/News-Stories/Article/article/3531094/us-strengthening-deterrence-in-taiwan-strait/

GDP Growth (Annual %) - Philippines | World Bank. (n.d.). https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=PH

Heydarian, R. J. (2024, April 29). *Balikatan 2024: Philippines and friends send a clear signal to China | Lowy Institute*. Retrieved January 26, 2025, from https://www.lowyinstitute.org/the-interpreter/balikatan-2024-philippines-friends-send-clear-signal-china

Heydarian, R. J. (2025, January 30). *Philippines anxiously waits for Trump to show his China hand*. Asia Times. http://asiatimes.com/2025/01/philippines-anxiously-waits-for-trump-to-show-his-china-hand/

Hillman, J. E. (2018). *China's Belt and Road Initiative: Five Years Later*. https://www.csis.org/analysis/chinas-belt-and-road-initiative-five-years-later

Hopf, T. (1998). The Promise of Constructivism in International Relations Theory. *International Security*, *23*(1), 171–200. https://doi.org/10.2307/2539267

International—U.S. Energy Information Administration (EIA). (2024, March 21). Retrieved May 24, 2025, from https://www.eia.gov/international/analysis/regions-of-interest/South_China_Sea

Joint Statement on the Philippines-United States Fourth 2+2 Ministerial Dialogue. (2024, July 30). U.S. Department of Defense. Retrieved February 1, 2025, from https://www.defense.gov/News/Releases/Release/Article/3854902/joint-statement-on-the-philippines-united-states-fo

urth-22-ministerial-dialogue/

Jones, L., Krulikowski, S., Lotze, N., & Schreiber, S. (2023, November). *U.S. EXPOSURE TO THE TAIWANESE SEMICONDUCTOR INDUSTRY*. *United States International Trade Commission.*

Kang, D. C. (2004). Hierarchy, Balancing, and Empirical Puzzles in Asian International Relations. *International Security*, 28(3), 165–180. https://doi.org/10.1162/016228803773100110

Kurlantzick, J. (2024, January 9). *Marcos Jr. Moves the Philippines Dramatically Closer to the United States. Council on Foreign Relations*. Retrieved January 24, 2025, from https://www.cfr.org/article/marcos-jr-moves-philippines-dramatically-closer-united-states

Lema, K., & Petty, M. (2018, November 19). Two years after Philippines' pivot, Duterte still waiting on China dividend. *Reuters*. https://www.reuters.com/article/world/two-years-after-philippines-pivot-duterte-still-waiting-on-china-dividend-idUSKCN1NO06H/

Maderazo, J. J. (2025, January 14). *Remove Chinese control of our country's electric power grid*. INQUIRER.Net. https://opinion.inquirer.net/179973/remove-chinese-control-of-our-countrys-electric-power-grid

Malolos-Clark Railway Project. (2024, April 5). *Railway Technology*. Retrieved February 1, 2025, from https://www.railway-technology.com/projects/malolos-clark-railway-project/

Moravcsik, A. (1997). Taking Preferences Seriously: A Liberal Theory of International Politics. *International Organization*, 51(4), 513–553. http://www.jstor.org/stable/2703498

Morgenthau, H. J. (1948). *Politics Among Nations: The Struggle for Power and Peace*. Alfred A. Knopf.

Military and Security Developments Involving the People's Republic of China 2024. (2024). United States Department of Defense. https://media.defense.gov/2024/Dec/18/2003615520/-1/-1/0/MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA-2024.PDF

OFW *Remittances in the Philippines Hit Record USD $38.34 Billion*. (2025, February 21). Fintech News Philippines. https://fintechnews.ph/65862/remittance/philippines-ofw-remittances-hit-record-usd-38-34-billion/

O'Rourke, R. (2020). U.S.-China Strategic Competition in South and East China Seas: Background and Issues for Congress. *Current Politics and Economics of Northern and Western Asia*, 29(2), 171-304. https://www.proquest.com/scholarly-journals/u-s-china-strategic-competition-south-east-seas/docview/2537723078/se-2

Pennington, M. (2017, May 24). *Trump said to praise "great job" in Philippine drug fight*. AP News. https://apnews.com/united-states-government-8ae31f9d31f04c4fbfab9ba42575aa6a

Philippines Luzon Economic Corridor. (2024, July 8).

https://www.trade.gov/market-intelligence/philippines-luzon-economic-corridor

Philippines Semiconductors: Market Trends, Opportunities, and Challenges. (2024, February 29). YCP. Retrieved February 21, 2025, from https://ycp.com/insights/article/semiconductor-philippines-market-trends-2024

Quitzon, J., & Poling, G. B. (2024). *U.S. Investment in the Philippines: More Than Meets the Eye*. https://www.csis.org/analysis/us-investment-philippines-more-meets-eye

Ratcliffe, R., & correspondent, R. R. S. A. (2024, July 12). Confrontations in South China Sea surge, raising fears a miscalculation could lead to conflict. *The Guardian*. https://www.theguardian.com/world/article/2024/jul/12/south-china-sea-conflict-philippines-coast-guard

Reevaluating And Realigning United States Foreign Aid. (2025, January 21). The White House. https://www.whitehouse.gov/presidential-actions/2025/01/reevaluating-and-realigning-united-states-foreign-aid/

Tan, S.-L. (2022, June 28). *G-7's infrastructure plan offers an alternative to China's Belt and Road Initiative in a "deliberate way."* CNBC. https://www.cnbc.com/2022/06/28/new-g-7-infrastructure-plan-offers-alternative-to-china-belt-road-.html

Timeline: China's Maritime Disputes. Council on Foreign Relations. (n.d.). Retrieved July 4, 2025, from https://www.cfr.org/timeline/chinas-maritime-disputes

Trump casts doubt on willingness to defend Nato allies 'if they don't pay.' (2025, March 7). *The Guardian*. https://www.theguardian.com/us-news/2025/mar/07/donald-trump-nato-alliance-us-security-support

Waltz, K. (1979). *Theory of International Politics*. Addison-Wesley.

Williams, M. C. (2004). Why Ideas Matter in International Relations: Hans Morgenthau, Classical Realism, and the Moral Construction of Power Politics. *International Organization*, 58(4), 633–665. https://doi.org/10.1017/S0020818304040202

Yamey, G., & Titanji, B. K. (2025). Withdrawal of the United States from the WHO—How President Trump Is Weakening Public Health. *New England Journal of Medicine*, 392(15), 1457–1460. https://doi.org/10.1056/NEJMp2501790

Acknowledgements and Mentor Contribution Statement

I would like to extend my appreciation to Dr. Audrey Wozniak, who mentored me throughout the research process and taught me about the framework of the academic paper. By providing structured and flexible feedback, Dr. Wozniak challenged me to be intellectually curious and delve into the topic in a detailed manner. Dr. Wozniak also helped me refine my research to have a more articulate and rooted angle that was well-supported by evidence. She treated me as the lead, giving me overall independence to take the paper in the direction that I wanted but also ensuring that it remained academically viable.

Author Biography

Yu-Ming Liu is a member of the class of 2026 at Henry M. Gunn High School in California. He is interested in policy research, politics and civic engagement, and believes that it is important to bring societal issues to light through publications and journalism.