

**Table 2: Chinese-Philippine Differences**

<b>Fundamental Differences</b>	<b>China</b>	<b>Philippines</b>
Importance of dispute in over-all foreign policy	Not very important at this time; prefers to downplay conflict and postpone settlement	Of vital importance; wants short-term results, especially on the issue of Mischief Reef
Preferred approach to dispute resolution	Prefers bilateral negotiations; but dialogue with ASEAN can be tolerated	Bilateral dialogue can help but need multilateral solutions; appeals to international community
Negotiation style	Prefers quiet diplomacy and secrecy in negotiations	Open and transparent; conflict being played out in both local and international media
Role of external powers	The issue is of no concern to the United States and others	the United States should be committed to assist the Philippines; other regional states have reason to be concerned
Proposals/demands as CBMs	Prevent arrest of fishermen; cease low-level flights over Mischief Reef; allow "normal" fishing operations and cooperation	Prevent intrusions and illegal fishing, especially in EEZ; recognize Philippine claim over Mischief Reef

These fundamental differences, if not properly addressed, can easily lead to misunderstandings, an escalation of tensions, or even untoward incidents or accidents.

## **CONCLUSIONS**

Using the Philippines-China dispute over the Spratlys as a case study of confidence-building between states with asymmetrical power, there are some propositions that can be made for further testing and validation.

Why did the two parties feel that CBMs were necessary or appropriate immediately after the occupation of Mischief Reef? Some possible reasons are because :

- the Mischief Reef incident had put a dent on an otherwise smooth and problem-free relationship, so that both sides may have felt it was still possible to reverse the mistrust that had arisen from the incident. In the first place, Beijing appears to have grossly miscalculated the adverse reaction from Manila and its impact on relations with ASEAN.
- at the time, both China and the Philippines shared strategic concerns about the uncertain security environment in the region as well as fears that escalation of the conflict may have