

The second ASEAN-China Summit took place in Hanoi one year after. Prior to this meeting were renewed tensions between China and the Philippines, following China's decision to enlarge the previous structures on Mischief Reef into more permanent, multi-story buildings. Philippine defence authorities described the new structures as an "emerging military facility" equipped with a helipad and radar equipment. Although the Chinese government had announced beforehand that it would be making "repairs" on Mischief Reef as mentioned earlier, for the Philippines this was considered a serious provocation which led to further escalation of the war of words between the two countries. It was against this backdrop that the ASEAN Heads of State agreed in Hanoi on the desirability of having a regional code of conduct to prevent the further escalation of conflict.

The third ASEAN-China Summit was held in Manila on November 28, 1999. The Chairman's Statement (with the Philippines as chair) reflected agreement to continue discussions on the code of conduct. This marked some progress in China's position, which had earlier been that there was no need for a code of conduct between China and ASEAN claimants, citing earlier agreements at the Hanoi Summit and the Kuala Lumpur document on ASEAN-China Cooperation towards the 21st Century. China had turned around and said it was willing to listen to ASEAN's proposal, given the importance attached to this by ASEAN. During the Manila meeting, however, China did not agree to discuss the ASEAN draft code.

At the unofficial level, the Philippines is also seriously and actively involved in other types of multilateral security dialogues that touch directly on the South China Sea dispute. In the Indonesian workshop series on "Managing Potential Conflict in the South China Sea" (MPC-SCS), Filipino officials, academics and scientists have been very forthcoming in proposing activities and mechanisms for cooperation.³⁷ However, it appears that the governments of participating countries have yet to muster the political will to give official support to the implementation of specific cooperative activities. China appears to have been among the most unyielding, but it is not the only one holding out.³⁸

The main advantages of this MPC-SCS framework have been its inclusiveness, the presence of non-claimants willing to serve as honest brokers, and the involvement of experts thus expanding the arena of decision-making beyond officials and politicians. Its main difficulties, however, have been the need to skirt the issue of sovereignty, avoidance of discussion on specific confidence-building measures such as demilitarization, and an inability thus far to elaborate policy

³⁷ This workshop series is hinged on the concept that functional cooperation in areas of common benefit could be the key to encouraging habits of cooperation and confidence-building among the various claimants. Thus far in this workshop series, the South China Sea claimants and other littoral states have been exploring cooperation in the following areas: resource assessments; marine scientific research; safety of navigation, shipping and communications; marine environmental protection; and anti-piracy. The workshop has agreed that any concrete cooperation is to be based on the principles of step-by-step approach, cost-effectiveness and starting from the least controversial issues.

³⁸ Baviera, "Security Challenges of the Philippine Archipelago".