



Delhi Policy Group

Advancing India's Rise as a Leading Power



POLICY BRIEF

Tensions at the Shangri-La Dialogue

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Australian Prime Minister Anthony Albanese delivers the Keynote Address at the Shangri-La Dialogue, June 2, 2023. Source: IISS.

US Defence Secretary Lloyd J Austin III at Shangri-La Dialogue, June 3, 2023. Source: IISS

Speakers at the Indian Ocean Session during the Shangri-La Dialogue, June 3, 2023. Source: IISS

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Tensions at the Shangri-La Dialogue

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A fundamental disconnect between the strategic objectives of the risen great power, China, and the existing great power, the US, is leading to growing tensions and confrontation in the Indo-Pacific. When global defence ministers met at the Shangri-La Hotel in Singapore from June 2-4, 2023 for what is billed as Asia's premier defence summit, the world watched.

About the Shangri-La Dialogue

Also described as the Asia Security Summit, the annual Shangri-La Dialogue is a partnership between the UK's International Institute for Strategic Studies (IISS) and the Government of Singapore. Since 2002, it has brought together security practitioners, including defence ministers, senior officials and non-governmental stakeholders, to discuss the most pressing security challenges in the Asia-Pacific, engage in bilateral discussions, and identify fresh approaches. The permanent venue is the Shangri-La Hotel in Singapore. IISS conducts another annual dialogue focused on the Middle East at Manama in November each year.

Though the Indo-Pacific construct for Asia has gained wide acceptance, for IISS, the Shangri-La Dialogue still remains tied to the Asia-Pacific. The dialogue format comprises an opening keynote address by a regional head of government/head of state; seven on-the-record plenary sessions involving defence ministers as speakers; and six on-the record breakout sessions involving other senior officials and security practitioners. Opportunity is also provided for bilateral and multilateral meetings, enabling the participants to network and advance their defence diplomacy privately.

This was the 20th edition of the dialogue¹. Defence Minister/equivalent representatives from the US and China were each assigned a dedicated plenary session. Those from Australia, Cambodia, Canada, Estonia, Fiji, Germany, Japan, the EU, Indonesia, the Philippines, ROK, Singapore, Sweden, Timor-Leste and the UK formed panels for the remaining five plenaries. There was no participation from Russia. One breakout session was assigned to the Indian Ocean, with senior diplomatic, security and military representatives forming a

¹ IISS Shangri-La Dialogue Speaker Agenda, <https://www.iiss.org/events/shangri-la-dialogue/shangri-la-dialogue-2023/speaker-agenda/>



panel of speakers, which included Vikram Misri, India's Deputy National Security Adviser for Strategic Affairs.

The Geostrategic Drivers

Now that it is risen, China no longer sees the need to comply with agreements and treaties it had signed and ratified when it was weak. It seeks to establish itself as the region's pre-eminent power, bending others to its will. However, this objective necessitates obtaining regional acquiescence, for which China uses economic incentives, elite capture, debt traps and grey zone coercion. At the military level, it necessitates preventing the US, the region's external balancer, from interfering as China increasingly imposes its will on the region. It also necessitates any other regional power centre, such as India, being marginalized.

China's pursuit of these objectives manifests itself in expansionist actions in the East and South China Seas, as well as its borders with India. These include the declaration of an ADIZ in international waters in the East China Sea, and its increasing assertion in the Senkaku Islands. In the South China Sea, they include the militarisation of the South China Sea Islands, the flouting of UNCLOS and a binding award by an international tribunal, actions to impose its domestic law in international waters, and efforts to push through a Code of Conduct with ASEAN that suits its purpose. Other manifestations include China's transgressions across the Line of Actual Control, and disregard for numerous agreements governing behaviour in its disputed border with India, the pressure to assimilate Taiwan, the change in the status of Hong Kong, and its unprecedented maritime expansion and its Anti-Access, Area Denial (A2AD) strategy.

A former US National Security Adviser had publicly proposed an informal US-China G2 in Beijing in January 2009². The idea was rebuffed by China then³. However, the 2014 visit by President Obama to Beijing witnessed discussions on "a new model of major-country relations between him and President Xi Jinping"⁴. President Xi envisaged that this new model would allow China to have its way in Asia. When his expectation was belied, he shifted his strategic

² Zbigniew Brzezinski, "The Group of Two that could change the world", January 14, 2009, <https://www.ft.com/content/d99369b8-e178-11dd-afa0-0000779fd2ac>

³ Jian Junbo, "China says 'no thanks' to G-2, May 29, 2009, <https://web.archive.org/web/20090531065554/http://www.atimes.com/atimes/China/KE29Ad01.html>

⁴ Remarks by President Obama and President Xi Jinping, November 12, 2014, <https://obamawhitehouse.archives.gov/the-press-office/2014/11/12/remarks-president-obama-and-president-xi-jinping-joint-press-conference>



approach towards driving US power out of Asia. This was formally recognised by the Trump Administration's National Security Strategy, which stated, "China seeks to displace the United States in the Indo-Pacific region, expand the reaches of its state-drive economic model, and reorder the region in its favour"⁵.

The political mood in the US has turned against China. There is now bipartisan consensus that the "PRC harbours the intention and, increasingly, the capacity to shape the international order in favour of one that tilts the global playing field to its advantage"⁶. The US appears determined to resist and preserve its primacy. NATO's 2022 Strategic Concept identifies "the stated ambitions and coercive policies used by China" as a challenge⁷, and reports indicate that NATO will open a Liaison Office in Japan⁸. Southeast Asian countries, however, wish to retain their ties with both the US and China, and not being pressured to take sides.

It is in this geostrategic context that the Asia Security Summit was convened.

The Opening Keynote

Delivering the keynote address⁹, Australian Prime Minister Anthony Albanese acknowledged that the assumption that globalisation and free trade would produce a more open and stable world had been proven wrong. However, to move from the thought that conflict was impossible to one that war was inevitable would be equally wrong. Australia was acting to strengthen both deterrence and diplomacy, enabling countries to disagree without that disagreement ending in disaster. The objective was becoming a stronger partner and more effective contributor to the stability of the region. Noting that the risk of conflict from unilateral attempts to change the status quo by force in Taiwan, the South China Sea, the East China Sea or elsewhere would always outweigh any potential reward, he made it clear that Australia would be part of an action to stop any such unilateral attempt.

⁵ National Security Strategy of the United States of America, December 2017, P 25.

⁶ National Security Strategy, The White House, October 12, 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

⁷ NATO 2022 Strategic Concept, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf

⁸ Japan working toward opening of NATO Liaison Office in Tokyo, May 10, 2023, <https://asia.nikkei.com/Politics/International-relations/Japan-working-toward-opening-of-NATO-liaison-office-in-Tokyo-ambassador>

⁹ IISS Shangri-La Dialogue Speech, June 2, 2023, <https://www.pm.gov.au/media/iiss-shangri-la-dialogue>



China's Perspective

The Shangri-La Dialogue marked the first time General Li Shangfu was speaking to, or taking questions from, a multi-national audience after assuming charge as China's Minister for National Defence in March 2023. The General is under CAATSA sanctions imposed by the US in 2018.

The stated objective of his speech¹⁰ was sharing China's perspective on regional security, discussing regional security cooperation and elaborating China's position on contemporary issues. The content was remarkably similar to his predecessor's speech at the 2021 edition of the Shangri-La Dialogue. He propagated China's demand for mutual respect over bullying and hegemony, fairness and justice in preference to the law of the jungle, mutual trust and consultation in preference to conflict and confrontation, and openness and inclusiveness in preference to exclusive military alliances against imagined threats. He cited statistics to display China's economic power, its burgeoning trade with ASEAN and China's role in global governance. He expressed China's readiness to work with all others to promote more equitable security rules. He reiterated the position that Taiwan was China's internal affair and at the core of its security interests, and described the position in the South China Sea as stable, despite the efforts of some extra-regional countries to exercise the "hegemony of navigation". He was careful to duck difficult questions during the ensuing session.

The speech reinforced the sense of entitlement born from belief that China has arrived and its momentum is unstoppable. It adopted the same wolf-warrior approach that has characterised China's international relations over the last few years. There was no sign of accommodation, of willingness to hear the views of others: the object was imposing China's view even if it involved a manufactured narrative, evidently at odds with the reality as perceived by others. For all his talk of readiness to cooperate with others in the region, there was no indication that this included accommodation of other interests.

The US Perspective

The US perspective was provided by General Lloyd Austin, who spoke on US leadership in the Indo-Pacific¹¹. He lauded the coming together of countries

¹⁰ General Li Shangfu, State Councilor; Minister of National Defense, China, Sunday 4 June 2023, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/p-5/general-li-shangfu-state-councilor-minister-of-national-defense-china---as-delivered.pdf>

¹¹ 'A Shared Vision for the Indo-Pacific': Remarks by Secretary of Defense Lloyd J Austin III at the Shangri-La Dialogue, June 2, 2023,



around a compelling Free and Open Indo-Pacific (FOIP) vision. He dwelt on the progress that had been made in conjunction with regional partners. The shared goal was clear: to deter aggression and deepen the rules and norms that have promoted prosperity and prevented conflict. He made particular mention of the partnership with India and the progress of the Quad.

The US was upgrading its force posture in the region, making its presence more distributed, more agile and more resilient, thus bringing greater stability and security to the region. General Austin identified the various actions that had begun yielding results and emphasised that the US would continue to work with allies and partners to uphold the freedom of navigation and overflight in the South China Sea. Reiterating that the 2016 award by the Arbitration Tribunal was legally binding and final, he said the US would not be deterred by dangerous operational behaviour. This was particularly true of the Taiwan Strait: the US remained committed to preservation of the status quo, consistent with its one-China policy and commitments under the Taiwan Relations Act, and would continue to categorically oppose unilateral changes to the status quo from either side.

He concluded by highlighting the need for dialogue to avoid misunderstanding and miscalculation and voicing his concern about the PRC being unwilling to engage more seriously on better mechanisms for crisis management. Conflict and strife were not inevitable, but peace and security were not automatic. They needed nations working together and not allowing themselves to be divided. He was optimistic that together, nations of the region could ensure peace, prosperity and stability.

The Western Perspective

The Western perspective, as well as that of US allies in the region, focused on linking the Euro-Atlantic with the Asia-Pacific under the concept of security being indivisible in a globalised world. Canada's Defence Minister was the only one from the West who did not mention Ukraine even once in her presentation. Her focus was Canada's Indo-Pacific strategy and she echoed the US line – that Canada would confront China where necessary and would cooperate where possible. Other Western ministers spoke predominantly of the need to stand together in countering Russia's action in Ukraine, while highlighting their contributions towards Asia-Pacific security. They endorsed the need for dialogue to resolve all issues.

<https://www.defense.gov/News/Speeches/Speech/Article/3415839/a-shared-vision-for-the-indo-pacific-remarks-by-secretary-of-defense-lloyd-j-au/>



The Asia-Pacific Perspective

Asia-Pacific Defence Ministers, on the other hand, refrained from mentioning Ukraine. The exception was Cambodia's General Tea Banh, who endorsed China's line on Ukraine¹². The focus was on preventing the region from being drawn into conflict, of not being forced into making a choice, and of the need to comply with international law, including UNCLOS. Singapore's Defence Minister Ng Eng Hen¹³ observed that simultaneous conflicts in Europe and Asia would blight an entire generation. The priority was to avoid conflict for at least the next decade, and he advocated resumption of dialogue to prevent it.

Commonalities and Divergences

All speakers, with the exception of China, were unanimous about the need to comply with UNCLOS and ensure Freedom of Navigation. All, including China's Defence Minister, spoke of the necessity of dialogue, even though he had refused a bilateral closed-door meeting with his American counterpart. All were agreed that the consequences of conflict would be devastating for the region and the world. US allies were agreed on the need to ensure that force was not used to change the status quo in Taiwan, while Southeast Asian leaders did not comment.

That said, it was evident that there was no meeting ground between China and the US. China remained defiant even on issues where all were united, as indicated above. The US, on the other hand, was also increasingly certain that it would stand up for the status quo and not permit a resolution of issues by force.

The Indian Ocean Region Session

All plenary sessions of the Shangri-La Dialogue focused on the Asia-Pacific. The Indian Ocean figured only in a breakout session. As observed by the Indian delegate, "Singapore also in some senses sits at the fulcrum of the Indian and Pacific Oceans, this is a particularly apposite venue to dwell on the other key constituent of the Indo-Pacific construct, namely the Indian Ocean Region"¹⁴.

¹² 20th Asia Security Summit, Seventh Plenary Session, Sunday 4 June 2023, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/p-7/general-tea-banh-deputy-prime-minister-minister-of-national-defense-cambodia---as-delivered.pdf>

¹³ 20th Asia Security Summit, Seventh Plenary Session, Sunday 4 June 2023, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/p-7/dr-ng-eng-hen-minister-for-defence-singapore---as-delivered.pdf>

¹⁴ 20th Asia Security Summit Special Session 6, Saturday 3 June 2023, Vikram Misri, Deputy National Security Advisor, India, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/p-7/vikram-misri-deputy-national-security-advisor-india---as-delivered.pdf>



The thrust of the presentation by Oman's Foreign Minister¹⁵ was that Indian Ocean security depends on a collaborative approach; operational security and the rule of law formed the basis of maritime security. He noted that trade and prosperity depend on maintaining freedom of navigation with an effective network of operational security, the practical resource that maintained peace at sea. He opined that partnership in its numerous forms was essential for operational security.

The Sri Lankan delegate¹⁶ described the Indian Ocean as more of a collection of sub-regions than a coherent single region. Its growing strategic importance had resulted in external powers jockeying for presence and supremacy, increasingly through maintenance of a military presence near choke points. The US had relegated the Indian Ocean to supporting India's role as a net security provider. Upholding open lines of communication, adhering to multilaterally agreed rules based on UNCLOS, and utilising existing multilateral and bilateral frameworks would work towards ensuring stability in the region. He saw the Quad and AUKUS as mechanisms for fostering cooperation, but notions of their transformation into military alliance, were a concern. He believed the usage of existing deliberative mechanisms, including BIMSTEC, the ARF and IORA, would advance cooperation.

India's delegate¹⁷ noted the Indian Ocean's increased importance as a connector and observed that it was the only ocean where entry was regulated through choke-points that could be controlled. India's approach was based on the SAGAR theme, which had also figured in PM Modi's address at the Shangri-La Dialogue in 2018. India viewed the ocean as a collective asset of the countries that border it. Its approach was advancing regional cooperation, using bilateral, plurilateral and regional tools, as well as deploying its capabilities for the benefit of all. The focus presently was building capacities for domain awareness. He stressed the importance of complying with

[-migration/files/shangri-la-dialogue/2023/final-transcripts/ss6/vikram-misri-deputy-national-security-advisor-india---as-delivered.pdf](https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/ss6/vikram-misri-deputy-national-security-advisor-india---as-delivered.pdf)

¹⁵ 20th Asia Security Summit Special Session 6, Saturday 3 June 2023, Sayyid Badr Bin Hamad Bin Hamoud Al Busaidi, Foreign Minister, Oman, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/ss6/sayyid-badr-bin-hamad-bin-hamoud-al-busaidi-foreign-minister-oman---as-delivered.pdf>

¹⁶ 20th Asia Security Summit Special Session 6, Saturday 3 June 2023, Sagala Ratnayaka, National Security Advisor, President's Office, Sri Lanka, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/ss6/sagala-ratnayaka-chief-of-staff-to-the-president--national-security-advisor-sri-lanka---as-delivered.pdf>

¹⁷ 20th Asia Security Summit Special Session 6, Saturday 3 June 2023, Vikram Misri, Deputy National Security Advisor, India, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/ss6/vikram-misri-deputy-national-security-advisor-india---as-delivered.pdf>



UNCLOS and identified IORA and the IONS as the building blocks of cooperation.

Conclusion

For all its talk of Xi Jinping's Global Security Initiative, the Global Development Initiative and the Global Civilisational Initiative, China remains relatively isolated. Its only Asian partners are Russia, North Korea and Pakistan. China has burnt its bridges with India. Nations are happy to deal with China economically, but are suspicious of its security objectives. The Western effort to link the Euro-Atlantic to the Asia-Pacific, and to bring NATO into the region, will fuel China's sense of grievance.

It is by now clear that there is no hint of accommodation of China's revisionism in the positions of the US on Taiwan or the South and East China Seas. General Li Shangfu's refusal to meet his American counterpart left Singapore making pleas for the resumption of dialogue. The forthcoming visit by US Secretary of State Anthony Blinken to China¹⁸ may kickstart the dialogue process, though how effective it will be remains to be seen.

The Indian Ocean, although a vital connector between the Euro-Atlantic and the Indo-Pacific, remained out of Western focus. Admiral Aquilino, the Commander of the Indo-Pacific Command, acknowledged the fact that it lay at the seams of the three US combatant commands, though he tried to paper over the ensuing limitations. The Sri Lankan delegate observed that the US had relegated the Indian Ocean to supporting India's role as a net security provider¹⁹. India has a window to strengthen its regional position while China and the US are engaged in competition in the Asia-Pacific. It will not be before China's power brings strategic competition to the Indian Ocean.

¹⁸ Secretary Blinken's Trip to the People's Republic of China and the United Kingdom, June 14, 2023, <https://www.state.gov/secretary-blinkens-trip-to-the-peoples-republic-of-china-and-the-united-kingdom/>

¹⁹ 20th Asia Security Summit Special Session 6, Saturday 3 June 2023, Sagala Ratnayaka, National Security Advisor, President's Office, Sri Lanka, <https://www.iiss.org/globalassets/media-library---content--migration/files/shangri-la-dialogue/2023/final-transcripts/ss6/sagala-ratnayaka-chief-of-staff-to-the-president--national-security-advisor-sri-lanka---as-delivered.pdf>



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