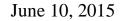
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Regional divisions simmer beneath the surface at Shangri-La by Evelyn Goh

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The recent 2015 Shangri-La Dialogue focused on China, the United States, and maritime security. But those expecting fireworks in the wake of China's new Defense White Paper and recent sharply worded speeches by US defense officials were left disappointed.

US Defense Secretary Ashton Carter reiterated America's vital role and continued commitment to regional security. The tone was deliberately softened by repeated references to America's determination to create a regional security architecture 'where everyone rises and everybody wins' and US desire to 'protect the rights of all countries, whether large or small, to win, to rise, to prosper and to determine their own destiny.' To ears familiar with Chinese rhetoric, this packaging sounded like 'mutual benefit' and 'win-win cooperation' – with American characteristics.

But Carter also took care to contextualize US concerns about the South China Sea disputes. He noted that all claimant states have been building structures on the disputed features, but he stated that it is the scale and speed of China's reclamation works that spur concerns.

China's Deputy Chief of General Staff Adm. Sun Jianguo stressed China's continued restraint and commitment to freedom of navigation in the South China Sea disputes – the United States' main concern. And he claimed that China's reclamation and construction work on some islets was aimed at improving local communities' quality of life, China's disaster response capability, scientific monitoring and regional navigation safety.

The 2015 Shangri-La Dialogue might appear uneventful, but avoiding bad-tempered public pyrotechnics probably facilitated private meetings between defense ministers and their retinues – the main arenas for substantive exchanges.

Preventing a diplomatic fall-out between China and the US is itself a success. It helps to bring this annual dialogue back to an even keel after the 2014 experience, at which China launched an unsuccessful media campaign and the US delegation was perceived to have blatantly coordinated with its regional allies, especially Japan, to criticize China. A repeat of 2014 might have affected the tenor of the upcoming US-China Strategic and Economic Dialogues and the prospects for President Xi Jinping's planned visit to Washington.

But drawing back from 'full and frank' public exchanges may reinforce a growing divide in Asia-Pacific strategic

dialogues. One of the Shangri-La Dialogue's key challenges has always been how to secure substantive Chinese participation so that it can be a true dialogue about Asian security affairs. For the Chinese, the Shangri-La Dialogue tends to highlight the uncomfortable reality that the Asia Pacific is filled with US allies and friends, many of whom have superior resources. The largest delegations tend to be from the United States, Japan, Singapore, and the combined European countries.

China has recently increased the size (and vocality) of its delegations and media presence but has sent its defense minister only once, in 2011. Adm. Sun's speech demonstrated China's preference for diplomatic performance above substance in the Shangri-La Dialogue. This is consistent with Beijing's efforts since 2014 to promote alternative China-led multilateral security forums, such as the Conference for Interaction and Confidence Building in Asia and the Xiangshan Forum. These forums have wider participation from Asia (including Central Asia and Russia), China-set agendas, and discussions more critical of the US role in the region.

If this trend continues, Asia risks developing separate sets of multilateral security dialogues, one dominated by the US and the other by China, with each set talking in parallel and past each other. This trend is especially worrying given current tensions in the South China Sea.

Secretary Carter's speech contained three key messages for China. First, the US is a 'resident power' in the Asia Pacific that intends to remain the most important security player. Carter emphasized the continuing 'regional demand for persistent American engagement and the importance of the regional security architecture.' He also stressed how the US is helping its regional allies and security partners – including Japan, the Philippines, and Vietnam – to improve their maritime domain awareness and capabilities.

Second, this widespread and growing regional support for US leadership is in part fuelled by China's own actions. China appears 'out of step' with international rules and norms, and the regional consensus opposing coercion and in favor of peaceful resolution of disputes.

Third, the US intends to uphold freedom of navigation and overflight in maritime East Asia, and will 'continue to fly, sail and operate wherever international law allows' – which in Washington's view includes the areas surrounding the artificial islands China is building in the South China Sea. Just before the Shangri-La Dialogue, a *CNN* reporter aboard a US *Poseidon* surveillance plane flying over these structures released a voice recording of a Chinese military officer warning the aircraft to stay out of China's 'military alert zone.' The US Department of Defense is reportedly considering sending military ships and aircraft within the 12 nautical-mile radius of China's artificial islands – either unilaterally or together with regional allies – to test freedom of navigation.

While the US spoke relatively softly, it seems to be carrying a big stick. But exactly how big is the stick? Secretary Carter's visit to Vietnam following the Shangri-La Dialogue has already generated disappointment at the limits of defense cooperation, and worries that the Vietnamese could not be persuaded to sign up to halt construction in the South China Sea.

Meanwhile, the insecurity spiral continues: China is unlikely to cease or slow down its program of island construction and might declare an air-defense identification zone over parts of the South China Sea; the US will find it hard not to test freedom of navigation without damaging its own credibility.

Both sides may find opportunities to negotiate mutual restraint. But it is equally possible that it will take a crisis or accident involving US and Chinese personnel in the South China Sea to force them to come to some mutual understandings about conflict avoidance and management.

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