



Revisiting the Shangri-La Dialogue:

Candid and Heated Conversations are Encouraged

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The Shangri-La Dialogue, a Singapore-based Asian security summit, is typically a cordial affair in which disagreements tend to be politely couched. However, during the 2014 summit held May 30 through June 1, the delegates were not shy about speaking their minds.¹ While conversations were tense and many nations butted heads, points of disagreement were well illuminated, as was the need to begin bridging these differences to mitigate the risk of conflict. Asian leaders left Singapore with a heightened degree of mutual understanding and a new sense of urgency. When many of these same Asian-Pacific leaders arrived in Myanmar this past Sunday for the Association of Southeast Asian Nations Regional Forum,² or ARF, the hope among policy analysts was that they would pick up from where they left off at Shangri-La. Unfortunately, that wasn't the case.

The Diplomat magazine described the ARF as “one of the most cordial ... summits in East Asia this year.”³ All countries backed down from directly challenging China for its recent conflicts in the South China Sea, and the Association of Southeast Asian Nations, or ASEAN, were particularly guarded in their comments to avoid antagonizing China. While the joint communiqué from the ASEAN ministers said that they “remained seriously concerned over recent developments which had increased tensions in the South China Sea,” China remained unnamed.⁴ In fact, the word “seriously” was only added to the final draft at the request of Vietnam.⁵ In addition, progress on maritime security was entirely dictated by China. American and Philippine proposals for a moratorium on destabilizing actions in the South China Sea were entirely dismissed,⁶ and only China's proposal for an “early conclusion to the code of conduct” for the South China Sea garnered support.⁷ Political analysts have downplayed this progress, anticipating that a Code of Conduct will not be agreed upon—much less implemented and followed—in the short or medium term.⁸ If ASEAN wants to accelerate progress on security cooperation, then they may need to revert to the Shangri-La Dialogue template and publically highlight that their security concerns are indeed at an “all time high.”⁹ Asia-Pacific nations should reflect on the Shangri-La Dialogue as a guide for how to proceed more candidly in the future.

The nations in the Asia-Pacific region have many opportunities for dialogue, facilitated by an alphabet soup of multilateral regional forums: the ASEAN regional forum; the East Asia Summit, or EAS; the Asia Pacific Economic Cooperation, or APEC summit; the ASEAN Defense Ministers Meeting Plus, or ADMM-Plus; the Shanghai Cooperation Organization, or SCO; and the Conference on Interaction and Confidence-Building Measures in Asia, or CICA. However, by and large, these are stilted affairs, and due to their closed nature, proceedings are opaque. While the now-famous 2011 ASEAN Regional Forum saw former Secretary of State Hillary Clinton and several other ministers calling attention to China's actions in the South China Sea, fireworks have been the exception rather than the rule, despite heightened tensions in the region.

The Shangri-La Dialogue, convened annually by the nongovernmental International Institute for Strategic Studies, or IISS, has emerged as the region's most important venue for regional leaders to speak publicly on regional security issues—as well as to meet privately behind the scenes. Its inclusive, public nature makes it an important gathering and a unique standout among a plethora of formal multilateral Asian conferences. While nearly all attendees are defense ministers, senior military and intelligence officials, and nongovernmental experts, a regional head of state is typically invited to give a keynote speech.

Unlike past summits, the 2014 Shangri-La Dialogue was full of pointed exchanges, criticisms, and frustration, including:¹⁰

- Japanese Prime Minister Shinzo Abe, while not explicitly naming any countries, criticized “attempts to change the status quo through force or coercion.”¹¹ Analysts believe this comment was directed at China.¹²
- U.S. Defense Secretary Chuck Hagel was more direct, asserting that “China has undertaken destabilizing, unilateral actions asserting its claims in the South China Sea” and warning that “the United States will not look the other way when fundamental principles of the international order are being challenged.”¹³
- Vietnamese National Defense Minister Gen. Phung Quang Thanh demanded that “China withdraw its drilling rig” out of Vietnamese territory and “negotiate with [Vietnam] to maintain peace, stability, and friendly [bilateral] relations.”¹⁴
- Australian Defense Minister Sen. David Johnston declared that “the use of force or coercion to unilaterally alter the status quo in the East China Sea and the South China Sea is simply not acceptable.”¹⁵

- Chinese Lt. Gen. Wang Guanzhong accused Japanese Prime Minister Abe of “overtly or covertly, explicitly or implicitly and directly or indirectly condemn[ing] China” and “trying to stir up disputes and trouble.”¹⁶ He also described Secretary Hagel’s speech as containing “tastes of hegemony ... expressions of coercion and intimidation ... [and] flaring rhetoric that usher destabilizing factors into the Asia-Pacific.”¹⁷ Lt. Gen. Wang even claimed that Prime Minister Abe and Secretary Hagel “pre-coordinated” their speeches and “supported and encouraged each other in provoking and challenging China.”¹⁸
- Chinese Chairperson of the National People’s Congress’s Foreign Affairs Committee Fu Ying accused Prime Minister Abe of engineering a crisis over the Diaoyu Islands as an “excuse with which to ... amend Japan’s security policy.”¹⁹ She also blamed the Philippines for the conflict over the Scarborough Shoal, saying that the Philippines’ decision to send naval ships to press its claims was a “unilateral provocation to the status quo.”²⁰

Commentators have focused on what the press described as “heated words exchanged by a United States-allied bloc and China.”²¹ But rhetoric aside, the open dialogue provided a valuable opportunity for all Asia-Pacific parties to candidly express their dissatisfactions, national priorities, and goals for regional security. Most importantly, China,²² the United States,²³ and political analysts²⁴ welcomed these confrontational comments, which were avoided in the past. Specifically, Lt. Gen. Wang and Fu Ying of China, Secretary Hagel, and William Choong, an IISS senior fellow, have deemed the frank talk in Shangri-La an important step toward de-escalating regional tensions by providing a clear starting point for future negotiations.²⁵

During his remarks, Secretary Hagel took great care to emphasize the importance of greater transparency and dialogue, saying that greater openness “reduces the risk that misunderstanding and misperception could lead to miscalculation” and conflict.²⁷ This appears increasingly important against the backdrop of an Asian arms race; in 2012, for the first time in the modern era, Asian states spent more on defense than Europe.²⁸ While Secretary Hagel and China’s Lt. Gen. Wang “traded barbs” on stage,²⁹ Pentagon officials reported that they later had a “cordial and constructive” meeting on the sidelines of the forum.³⁰

A war of words might be ugly, but it is an important first step in defusing the distrust and mutual suspicions that could, if allowed to fester, push the Asia-Pacific region toward conflict.

“If you have something to say, say it directly.”²⁶
– Chinese Lt. Gen. Wang to Japanese Prime Minister Abe.

Sources of tension

The discord at the Shangri-La summit was the result of two main sources of tension, one old and one new: territorial disputes in the South and East China Seas and China's proposal for a new regional security architecture that excludes the United States.

Unlike the 2009 summit, North Korea was not a topic that drew much attention or sparked any controversies. At the special session—"The Future of North Korea: Implications for Regional Security"—the views of most countries were relatively aligned.³¹ China's Xia Liping, vice president of the Shanghai Institute for International Strategic Studies, said that denuclearization was China's top priority for the Korean Peninsula.³² America's Thomas Countryman, the assistant secretary for International Security and Nonproliferation at the State Department, remarked that "the Chinese attitude towards North Korea is evolving in ... a positive direction." However, he urged China to "do more."³³ Similarly, Secretary Hagel, in his earlier speech, said that "the United States is looking to China to play a more active and constructive role in ... [the] denuclearization of the Korean Peninsula."³⁴ Aside from the special session and Secretary Hagel's brief comment, discussions at the Shangri-La summit primarily revolved around the territorial disputes in the South and East China Seas and the conflicting American, Japanese, and Chinese visions for the future of Asia's regional security architecture.³⁵

Territorial disputes in the South and East China Seas

In the East China Sea, China, South Korea, Japan, and Taiwan all have overlapping claims involving both airspace and land. China's November 2013 Air Defense Identification Zone, or ADIZ, claimed airspace overlapping with standing claims by South Korea, Japan, and Taiwan.³⁶ In terms of land, the Senkaku Islands are the center of East China Sea disputes; they are controlled by Japan but claimed by China and Taiwan. The China-Japan dispute over the islands, in particular, has led to an escalation of tensions and "souring China-Japan ties," according to the BBC News.³⁷

Liu Jiangyong, vice president of Tsinghua's Institute of Modern International Relations, argues that the islands—which were seized by Japan during the Sino-Japanese War of 1894–1895 and ceded to Japan in the 1895 Treaty of Shimonoseki—should have been returned to China with the signing of the Cairo Declaration of 1943.³⁸ In addition, Chinese maps dating back to the 14th century Ming Dynasty support China's long-standing use of the islands.³⁹ However, Japan's Ministry of Foreign Affairs maintains that the islands were uninhabited prior to Japan's erection of a marker on the islands in 1895, which formally incorporated the islands into the territory of Japan.⁴⁰ Accordingly, Japan holds that the islands were neither part of Taiwan nor part of the Pescadores Islands, which were ceded to Japan under the Treaty of Shimonoseki.⁴¹ Hence, Japan claims they were not included in the territory that Japan renounced in the Cairo Declaration or under Article II of the San Francisco Peace Treaty.⁴²

In an April trip, President Barack Obama announced that “the Senkaku Islands are administered by Japan and therefore fall within the scope of Article 5 of the U.S.-Japan Treaty of Mutual Cooperation and Security.”⁴³ In addition, President Obama stated that the United States “oppose[s] any unilateral attempts to undermine Japan’s administration of these islands.”⁴⁴ As Secretary Hagel has previously clarified, the United States does “not take a side on the disputes regarding the areas and the islands that are in question in ... [the] East China Sea.”⁴⁵ Rather, the United States wants “the disputes to be settled peacefully, diplomatically, within international norms, within the framework of international law.”⁴⁶

Carlos Ramos-Mrosovsky, an international arbitration expert, argues that the failure of international law to offer a clear verdict on these conflicting claims means that the Senkaku Islands territorial dispute may remain a regional hot spot for quite some time.⁴⁷

China, the Philippines, Vietnam, Taiwan, Malaysia, and Brunei all have overlapping territorial claims in the South China Sea. China’s so-called “nine-dashed line,” first published on a map by China’s Nationalist government in 1947, claims that approximately 90 percent of the 3.5 million square kilometers in the South China Sea belongs to China.⁴⁸ However, the 1982 U.N. Convention on the Law of the Sea, or UNCLOS, prescribed an “exclusive economic zone” to each nation in the area, which expands outward 200 nautical miles from the coast of each nation’s “territorial waters.”⁴⁹ The economic and geopolitical significance of the disputed territory has motivated these countries to press and defend their conflicting claims; the waters and land account for 10 percent of global fisheries’ catch, facilitate \$5 trillion in annual ship-borne trade,⁵⁰ and contain an estimated 11 billion barrels of oil and 190 trillion cubic feet of natural gas in proved and probable reserves.⁵¹ specific territorial disputes in the South China Sea include:

- The Scarborough Shoal, which is claimed by the Philippines, but has been patrolled by Chinese ships since a confrontation in 2012.⁵²
- The Paracel Islands, which Vietnam claims, but have been occupied by China since 1974.⁵³ Vietnam protested China’s “illegal occupation” in January 2014,⁵⁴ and in May, China moved an oilrig into the area to further press its claim.⁵⁵ Vietnam claims the structure is parked on a continental shelf that, under UNCLOS, is part of Vietnam’s exclusive economic zone.⁵⁶ This past June, China took its dispute with Vietnam to the United Nations, submitting a position paper that asserts Vietnam’s actions have violated China’s sovereignty, posing “grave threats” to Chinese personnel on the rig and violating UNCLOS.⁵⁷ The U.N. decision could create precedent for China’s other territorial disputes.
- The Spratly Islands and reefs, which number more than 100, are claimed in their entirety by China, Taiwan, and Vietnam, while Malaysia and the Philippines claim portions.⁵⁸ In addition, Brunei partly claims an exclusive economic zone over the area.⁵⁹ Small military forces from China, Malaysia, the Philippines, Taiwan, and

Vietnam occupy about 45 of the islands.⁶⁰ In recent months, China has been building new islands in the sea by moving sand onto the reef and shoals to create several new landmasses in the Spratly area.⁶¹ Taylor Fravel, a political scientist at the Massachusetts Institute of Technology, or MIT, believes this is a means for China to “strengthen the merits of its claims.”⁶²

In a May 15, 2014, visit to the Pentagon, Chinese Gen. Fang Fenghui expressed China’s unwillingness to back down from its claims, stating “I don’t believe the responsibility lies on the Chinese side.”⁶³

The United States, Japan, and China: Competing visions for the future of Asian security

While tensions may be escalating over territorial disputes in the South and East China Seas, this international relations stressor is not new; the feuding countries have already adjusted to the related risks by strengthening security alliances, which has planted the seeds of regional polarization. However, the Shangri-La Dialogue made clear that there is a new challenge that Asian nations must confront—one that could force countries to more explicitly take sides. This new challenge entails competing American, Japanese, and Chinese visions for the future of Asia’s regional security architecture.⁶⁴

At Shangri-La, Secretary Hagel expanded on America’s vision, which he first discussed in an April speech in China.⁶⁵ Japan’s Prime Minister Abe kicked off the summit’s keynote address by presenting Japan’s vision. Finally, Lt. Gen. Wang elaborated on Chinese President Xi Jinping’s vision, first debuted in May at the Conference on Interaction and Confidence Building Measures in Asia, or CICA, summit in Shanghai.⁶⁶ The three models all propose different providers of Asia’s regional security: Japan advocates that the United States and Japan jointly provide regional security; for its part, the United States proposes itself as the regional provider; and China also proposes itself as the regional provider.

U.S. vision

On April 8, 2014, Secretary Hagel debuted America’s vision for the future of Asian security at China’s PLA National Defense University.⁷¹ According to Secretary Hagel, “the United States believes in maintaining a stable, rules-based order” built on:

- Free and open access to sea lanes, air space, and cyberspace.
- Liberal trade and economic policies that foster widely shared prosperity for all people.

“The Asia-Pacific’s shifting security landscape makes America’s partnerships and alliances indispensable as anchors for regional stability.”⁶⁷ “In the Asia-Pacific and around the world, the United States believes in maintaining a stable, rules-based order.”⁶⁸
– Secretary Chuck Hagel.

“The US-Japan alliance is the cornerstone for regional peace and security ... Taking our alliance with the United States as the foundation and respecting our partnership with ASEAN, Japan will spare no effort to make regional stability, peace, and prosperity into something rock solid.”⁶⁹
– Japanese Prime Minister Shinzo Abe.

“We [CICA] should actively promote common, comprehensive, cooperative, and sustainable security ... for Asia. ... It is for the people of Asia to ... solve the problems of Asia and uphold the security of Asia.”⁷⁰
– Chinese President Xi Jinping.

- Halting the proliferation of dangerous and destabilizing weapons of mass destruction.
- Deterring aggression.
- Clear, predictable, consistent, and peaceful methods of resolving disputes consistent with international law.⁷²

While Secretary Hagel took great care to emphasize America’s intention to honor treaty commitments with allies and deepen ties with members of ASEAN, he also expressed his desire to deepen cooperation and improve relations with China.⁷³ However, a Chinese senior official suggested that the United States is failing to manage this balancing act, accusing the United States of “taking sides” in China’s territorial disputes with Japan and the Philippines.⁷⁴ In response, Secretary Hagel reiterated that the United States does “not take a position on sovereignty claims, but expect[s] these disputes to be managed and resolved peacefully and diplomatically ... within the framework of the international order based on international law.”⁷⁵ Thus, the United States seeks to remain neutral in the resolution of disputes as long as they are resolved without the use of force.

Secretary Hagel also discussed the importance of what he called a “new model of relations” for the United States and China, a notion first proposed by Chinese President Xi Jinping at the June 2013 Sunnylands summit—an informal meeting held in California between President Obama and President Xi.⁷⁶ Secretary Hagel advocated that the two nations continue to increase “openness and two-way communication” in order to promote greater bilateral, multilateral, and regional stability.⁷⁷ Secretary Hagel continued:

*Managing the competitive aspects of [the U.S.-China] relationship requires us to be more candid, more open, more transparent about our capabilities, our intentions, and, again, our disagreements, even on the most sensitive subjects.*⁷⁸

During the Shangri-La summit, Secretary Hagel focused on “four broad security priorities” that the United States is advancing in partnership with “friends and allies” throughout the Asia-Pacific region.⁷⁹

1. Encouraging the peaceful resolution of disputes, upholding principles, including the freedom of navigation, and standing firm against coercion, intimidation, and aggression.
2. Building a cooperative regional architecture based on international rules and norms.
3. Enhancing the capabilities of America’s allies and partners to provide security for themselves and the region.
4. Strengthening America’s own regional defense capabilities.

Underpinning these priorities is the belief, first voiced by President Obama and reiterated by Secretary Hagel, that “America must always lead on the world stage ... if we don’t, no one else will.”⁸⁰

Several Chinese experts and reporters have offered responses to America’s vision for Asian regional security. Zhao Xiaozhuo, deputy director of the China Academy of Military Sciences, believes the U.S. vision is meant to reassure allies of American leadership as America’s “status as a super power... is challenged [by China].”⁸¹ Major General Zhu Chenghu, a professor at China’s National Defense University, responded to Secretary Hagel’s speech by cautioning that “America is making very, very important strategic mistakes” in its approach to China.⁸² The *China Daily* newspaper went so far as to describe Secretary Hagel’s speech as “a proposition that smacks of the Cold War containment mentality.” The newspaper urged the United States to “discard its containment fantasy.”⁸³

Japan’s vision

Japanese Prime Minister Abe, who gave the Shangri-La Dialogue’s keynote address, used the opportunity to express Japan’s desire to play a bigger and more proactive role in ensuring regional peace and security. He expressed concern for what he termed regional “elements that spawn instability” and “attempts to change the status quo through force or coercion.”⁸⁴ To combat these risks, Prime Minister Abe wants to redefine Japan’s regional role as a “proactive contributor to peace.”⁸⁵

Prime Minister Abe explained that his mission is not just to spearhead a new type of economic policy, but more importantly, to foster “New Japanese”—an entire generation of people who “will shoulder the [regional] responsibilities of the coming years.”⁸⁶

However, Prime Minister Abe’s vision for the future of Asia’s regional security—which uses the U.S.-Japan relationship as the “foundation” and aims to bolster partnerships with ASEAN—appears designed as a counterbalance to China’s rise.⁸⁷ As further support of this notion, the three principles advocated by Prime Minister Abe to guide Asian nations’ behavior all appear as criticisms of China’s recent actions. The three principles articulated by Prime Minister Abe are the following:

1. Making claims that are faithful in light of international law.
2. Restraining from the use of force or coercion.
3. Resolving all disputes through peaceful means.⁸⁸

Prime Minister Abe explained his vision as “nothing other than an expression of Japan’s determination to spare no effort or trouble for the sake of the peace, security, and prosperity of Asia and the Pacific.”⁸⁹ However, China did view Prime Minister Abe’s speech as a China-containment strategy filled with anti-China rhetoric.

China's vision

In his May keynote speech at the Conference on Interaction and Confidence Building Measures in Asia, or CICA, Chinese President Xi Jinping called for the creation of a “new regional security cooperation architecture,” proposing that the CICA become the region’s “security dialogue and cooperation platform.”⁹⁰ China will hold the CICA chair for the next two years, and President Xi indicated that China would take a leading role in beginning to create a “code of conduct for regional security and [an] Asian security partnership program” during that time period.⁹¹ As Lt. Gen. Wang elucidated at Shangri-La: “We are working to promote the sound interaction between regional economic cooperation and security cooperation, and to maintain both traditional and non-traditional security in a coordinated way.”⁹²

While general descriptions may make China’s vision for a so-called “New Security Concept for Asia” sound appealing, the actual details are more concerning, particularly because China’s vision appears to be competing with the American and Japanese visions.⁹³ The main frictions revolve around the following four concerns:

First, the CICA began as an initiative of the Republic of Kazakhstan and requires that members “have at least a part of [their] territory in Asia.”⁹⁴ Western Asian nations now dominate its membership.⁹⁵ As a result, eastern Asian nations may have a reduced ability to shape regional security if and when they become members, and non-Asian nations may remain entirely excluded. Notable nonmember states include the United States, Japan, Australia, and 7 of the 10 ASEAN members—Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, and Singapore.⁹⁶ Of these nonmembers, only the United States, Japan, Indonesia, Malaysia, and the Philippines are observer states, while the rest have no official CICA connection.⁹⁷ Observer status gives nations the right to attend the bi-annual CICA summit, as well as ministerial and senior officials committee meetings.⁹⁸ Observer nations are excluded from participation in decision making but are allowed to make oral presentations and distribute written statements pending approval by the member states.⁹⁹

Second, CICA’s membership makes China and Russia its “dual cores,” ruling out the possibility for the United States and/or Japan to play a significant role in any CICA regional-security arrangement.¹⁰⁰ Making this clearer, Chinese Lt. Gen. Wang, while at the Shangri-La summit, emphasized two of the security concept’s core tenets: “neighborhood diplomacy” and “common, comprehensive, cooperative, and sustainable security for Asia.”¹⁰¹ Accordingly, non-Asian powers, such as the United States, seem to be entirely excluded from China’s new security framework proposal.

Third, as Lt. Gen. Wang elaborated at Shangri-La, the ideological core of China’s proposed new framework is the belief that “development is the greatest form of security,”¹⁰² which characterizes military alliances as relics of the “outdated thinking of [the] Cold War.”¹⁰³ This redefinition of “security” asserts that an antiquated zero-sum understanding of security—not unresolved territorial disputes—threatens regional security. The argument goes that if China’s neighbors continue to treat territorial disputes as the central

security threat, then they risk derailing the region's economic development and integration, which are more important to nations' overall well being.¹⁰⁴ In many ways, China's redefinition of "overall national security" seems analogous to Taiwanese President Ma Jing-jeou's "Three Nos" principle, a security approach that aims to shelve controversies in order to focus on practical and mutually beneficial issues.¹⁰⁵ Lt. Gen. Wang went on to highlight that China accounted for almost 30 percent of global growth and more than 50 percent of Asia's growth in 2013. If he is indeed correct in asserting that "development lays the foundation for security, which in turn provides the conditions for development," then China would appear best positioned for the role of regional security provider.¹⁰⁶

Fourth, China has called for nations to "abide by the basic norms governing international relations, such as respecting sovereignty, independence, and territorial integrity; non-interference in internal affairs; [and] respecting social systems and chosen development paths."¹⁰⁷ A norms-based order is hard to imagine and is certainly different from the current "rules-based order" that the United States hopes to uphold.¹⁰⁸ A norms-based order could also allow China to reshape the status quo in Asia, both territorially and institutionally. Institutionally, China hopes that a CICA security framework can replace what has been described as the "U.S.-Japan leadership status quo," leaving "Asian problems to be solved by Asians alone."¹⁰⁹ Territorially, Chinese President Xi advocates "seeking peaceful settlements of disputes with other countries," implying a preference for diplomatic bilateral dispute resolution without interference by third parties. In practice this may mean downplaying the importance of maritime disputes in order to ensure continued regional economic integration and development.¹¹⁰ Regarding territory, the general idea seems to be a reversion to President Ma's '3 Nos' concept, effectively leaving territorial and maritime disputes unresolved and uncontended over the medium term in order to achieve mutually beneficial economic cooperation.

While the CICA is the largest multilateral body dealing with Asian security issues, it is not all-inclusive; most of the nations in attendance at the Shangri-La summit are not current members. Adoption of China's proposed regional-security framework would make it even more difficult to resolve territorial disputes in the South and East China Seas, a major ongoing source of tension in Asia-Pacific regional relations. Moreover, a new regional-security framework guided by Russia and China—the dual cores—rather than the United States and/or Japan would be a huge change to the status quo, potentially isolating and provoking two of the biggest players in Asia-Pacific relations: Japan and the United States.

While the United States, Japan, and China approach regional security with very different visions, they would seem to be in agreement on the underlying goal, which Chinese Gen. Wang voiced, saying "We need to strengthen coordination on the basis of mutual respect, and oppose the attempt by any country to dominate regional security affairs."¹¹¹ If this goal is to be reached, then it may be unadvisable to adopt a regional security framework with only one or two key regional security providers; after all, this is tantamount to "dominat[ing] regional security affairs."¹¹² Accordingly, the United States, Japan, and China may all need to rethink their visions for the future of Asian security and reorient their approach to regional security cooperation.

To devise a mutually agreeable regional security framework, Australian Professor Hugh White recommends that the United States and China should work together to construct what many are calling a “new regional security framework of shared power” with India and Japan as other major players.¹¹³ While it is unlikely that the United States will explicitly accept that its unique leadership role is no longer feasible,¹¹⁴ regional partnership seems more in line with the notion of a “new model of major power relations.”¹¹⁵ Moreover, as neither the United States nor China seems willing to back down from the current regional power struggle, such compromise may be preferable to the alternatives. As China continues to grow, White argues, no one can be sure that China “will settle for as little as an equal share in the leadership of Asia.”¹¹⁶

Shangri-La in the context of America’s Asia rebalance

As the Shangri-La Dialogue clearly illustrated, tensions are still high when it comes to relations in the Asia-Pacific region, and both the United States and China must tread carefully to avoid conflict. The United States and China risk falling into the “Thucydides Trap,” the historical tendency of a rising nation to clash with an established power.¹¹⁷ Over the past 500 years, a rapidly rising power has rivaled an established ruling power 15 separate times; 11 of these cases of competitive tension have resulted in war, motivated by one country’s ambition to “rise” and another’s “fear” of being displaced.¹¹⁸

Professor Graham Allison of the Harvard Kennedy School notes that the four peaceful cases of power transition required “huge adjustments in the attitudes and actions of the governments and societies of both countries involved.”¹¹⁹ The current national rivalries between the United States and China, and even between Japan and China, increasingly resemble the rivalry between Britain and Germany that led to the outbreak of World War I. The United States and China will need to drastically reorient their approach to bilateral relations in order to avoid meeting the same fate as Britain and Germany; this is the goal of bilateral efforts to establish a “new model of [US-China] cooperation.”¹²⁰

To achieve this goal, dialogue is needed to promote transparency of intentions and facilitate mutual understanding, which is essential to avoid an escalation of suspicion and conflict. It is only natural that the United States and China have differences; what matters is *how* they manage these differences. While the two sides have yet to converge on major issues, they are making measurable progress on more micro-level areas of common interest, best illustrated by the cooperative achievements of Secretary Hagel’s April trip to the Asia-Pacific region. It seems that the fireworks at the Shangri-La Dialogue have projected an overly pessimistic image of Asia-Pacific relations; it should be remembered that disagreements, channeled through productive and constructive forums, are no cause for concern. It is only when dialogue is abandoned and nations look to military solutions to resolve disagreements that the Asia-Pacific region will have cause to worry.

“Better a war of words than clashes at sea.”¹²¹
– William Choong, IISS senior fellow.

Milton Friedman, renowned American economist, offers a useful lens through which to understand the fireworks at the Shangri-La summit: “Only a crisis—actual or perceived—produces real change. When that crisis occurs ... the politically impossible ... becomes the politically inevitable.”¹²² The 2014 Shangri-La Dialogue may be the Asia-Pacific region’s first ‘perceived crisis’—a sign that regional tensions are not de-escalating despite efforts by all parties. As tensions have recently reached unprecedented levels in the South and East China Seas,¹²³ the summit’s fireworks were appropriate, even necessary. Shangri-La has created an impetus for the Asia-Pacific nations to begin working toward compromise on difficult issues, not just pursuing cooperation in areas of common interest. After all, the American, Japanese, and Chinese visions for the future of Asian security cannot *all* be realized. These three great powers, in particular, need to articulate a common vision if a robust system of Asian regional security is to ever be established.

The Asia-Pacific nations should respond to the dustup in Shangri-La by increasing the frequency of their multilateral exchanges. While future heated exchanges will surely follow, this sort of conflict is certainly preferable to an actual crisis of armed conflict. Moreover, frank and open discussion, even talks tinged with heated rhetoric, more often than not tend to produce tangible progress on difficult issues. The United States, China, and Japan can all agree on the need for a new, more effective regional security architecture, and this common interest offers them an end goal to target. Compromise will be difficult to achieve, but the Shangri-La fireworks may have provided the “perceived crisis” impetus to turn the “politically impossible” into the “politically inevitable.”¹²⁴

The Shangri-La Dialogue should be used as a template for future meetings of Asia-Pacific nations. However, as the ASEAN Regional Forum has highlighted, the candid nature of Shangri-La risks being a singular occurrence. Candid conversation will need to be the norm, not the exception, if the Asia-Pacific nations are to begin bridging their differences and compromising on the issues contributing to regional security instability—namely the South and East China Sea disputes and conflicting American, Chinese, and Japanese visions for the future of Asian regional security. The ARF was neither a step forward nor a step back, but without flaring rhetoric or the beginnings of compromise, it could easily be deemed a wasted opportunity. While the ASEAN members couched their comments to “remain amicable with China,”¹²⁵ downplaying their concerns will lead to misunderstandings and also diffuse the sense of urgency that came from Shangri-La. If the ASEAN members and the greater Asia-Pacific region hope to make progress in overcoming the obstacles to greater regional security and stability, then they may need to discard their politeness and political sensitivities in favor of more candid dialogue.

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Endnotes

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