

The 21st Shangri-La Dialogue: Understanding Sino-US Rivalry and ASEAN Balancing Act

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Introduction

Rising geopolitical tension and insecurity in the Asia-Pacific region due to territorial disputes, historical grievances, and great-power rivalries have made the region unstable. The 21st Shangri-La Dialogue, organised by the International Institute of Strategic Studies (IISS) in Singapore from 31 May to 2 June 2024, like previous dialogues, provided a platform for key stakeholders to negotiate longstanding security issues engulfing East Asia.¹ The dialogue gave prospects for positive development when the defence ministers of China and the United States (US) met and acknowledged the importance of newly renewed military-to-military communications. However, things changed when both sides of the dialogue, instead of communicating and solving the regional issues, accused one another of actions threatening regional peace and stability. In recent years, the Shangri-La Dialogue has become a key venue for addressing the growing strategic rivalry between the US and China in East Asia. The US and its allies are concerned that China's rise could lead to an emergence of unipolar power in Asia, changing the Western-led rules-based order. Since China-US rivalry has become the central agenda of this dialogue in the last many years, this study analyses how the Shangri-La Dialogue enables members of the Association of Southeast Asian Nations (ASEAN) to step up and ensure their region does not become a graveyard of China and US-backed military misadventures. ASEAN nations understand that security is achieved through proactive mediation, and that showcasing themselves as a neutral platform to seek solutions via a collective strategy can help reduce regional tensions. Hence, platforms like Shangri-La Dialogue equip them to better navigate the ongoing Sino-US rivalry and resolve disputes between China and ASEAN members.

Background of Shangri-La Dialogue

The Shangri-La Dialogue is a prime forum for discussing Asia-Pacific regional security issues, encouraging participant nations to engage bilaterally or

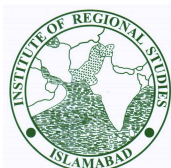
via third-party mediations. It began in 2002 after the 9/11 incident and has cemented itself as a premier platform for addressing traditional and non-traditional security threats looming over the Asia-Pacific region. The active participation of defense ministers, and military chiefs of regional states, particularly China, highlights the importance of this dialogue in shaping security architecture in the Asia-Pacific region.

The Shangri-La Dialogue happens in Singapore, a nation with a history of acting as a crucial peacemaker. For instance, the historic 2015 meeting between Chinese President Xi Jinping and Taiwanese President Ma Ying-jeou eased tensions between mainland China and Taiwan.² Similarly, the landmark 2018 summit, where US President Donald Trump and North Korean leader Kim Jong-un met in Singapore to discuss longstanding security issues, showcased Singapore's ability to unite leaders and foster cooperation. At this year's dialogue, US Defense Secretary Lloyd Austin met with his new Chinese counterpart, Admiral Dong Jun, for the first time in 18 months. The 75-minute meeting was aimed to break the ice after ties were suspended following Speaker Nancy Pelosi's visit to Taiwan in 2022.³ Unfortunately, the outcome was inconclusive, as both sides did not engage in meaningful dialogue but spoke past each other.

Current Situation

In recent years, the Sino-US relationship has been at the heart of the Shangri-La Dialogue. This forum often highlights the clash of interests between these two powers in East Asia. For years, the US has been the leading security provider for China's East Asian neighbours. But now, geopolitics and geoeconomics are changing and China's economic ties with its neighbours are strengthening. This has led to questions about the relevance of US security guarantees in the region. The US is becoming increasingly anxious about this economic convergence, fearing it might weaken its influence. Hence, the increased US support for Taiwan and its increased military presence in the South China Sea have exacerbated tensions. Moreover, the relationship between the two

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powers has deteriorated in terms of trade, technology, Taiwan, and spying accusations. These exacerbating escalations have raised concerns and have provided opportunities for the middle powers in ASEAN. They are strengthening their economic cooperation with China through the Belt and Road Initiative (BRI), which aims to connect economies through infrastructure development while seeking continued security cooperation with the US to maintain a balance of power in the region. However, tensions are simmering beneath the surface as territorial disputes in the South China Sea are gaining momentum due to Beijing's defensive behaviour, which claims most of the South China Sea based on historical maps using a "nine-dash line" that extends 1,500 km (900 miles) south of its mainland, extending on the exclusive economic zones of Brunei, Indonesia, Malaysia, the Philippines, and Vietnam.⁴ This claim is contested by the Philippines, Vietnam, Malaysia, Taiwan, and Brunei, who also assert rights over all or part of this strategically crucial sea.

The leadership change in Manila has strained relations with Beijing. The Philippines' recent decision to allow the US to deploy the Typhoon Mid-Range Capability missile system within its borders has heightened tensions.⁵ Beijing views the deployment of such sophisticated weapons as a national threat, as it puts both the mainland and Taiwan within closer reach of US strikes. This has made Beijing more reactive, as evidenced by the Chinese defence minister's remarks at the Shangri-La Dialogue: "We will not allow hegemonism and power politics to undermine the interests of the Asia-Pacific countries. We will not allow anyone to bring geopolitical conflicts or war, whether hot or cold, to our region. We will not allow any country or any force to create conflict and chaos in our region."⁶ Beijing has expressed these concerns, and Washington and its East Asian allies must address them through dialogue and confidence-building measures. They must demonstrate through substantive actions that the policy of containing China is not at play. ASEAN leaders must know that this competition limits their strategic options, creating a paradox for the region.

China's strategic security interest in East Asia

China has become one of the world's largest economies since it took over the US in purchasing power parity (PPP) in 2014.⁷ President Xi Jinping's vision of a 'shared future' and a 'community of common destiny' led to the announcement of the Global Development Initiative (GDI) in 2021 and the Global Security Initiative (GSI) in 2022.⁸ These initiatives complement China's BRI,

aiming for sustainable growth and security while respecting all countries' sovereignty and territorial integrity. China envisions collective security for Asia and is defensive about the presence of external powers providing security assurances to its neighbours. This stance is influenced by its history of colonial interference through sea routes and its current status as a major power with expanding economic interests. China believes it is legitimate to extend its defense capabilities in the region to protect its territorial integrity and ensure the safety of its major sea lines of communications (SLOC). Exacerbating territorial disputes in the South China Sea hinders long-term East Asian peace. China claims most of the South China Sea, and actions like militarising the Taiwan Strait and developing artificial islands in South China and East China Seas indicate that China is becoming defensive in its strategic backyard against the security assurances of extra-regional power. Regarding Taiwan, Beijing considers it an integral part of China, with reunification seen as imminent and calls for Taipei's independence viewed as a red line. At the dialogue, Chinese Defence Minister Dong Sun reiterated, "We will take resolute actions to curb Taiwan's independence and ensure such a plot never succeeds. Anyone who dares to separate Taiwan from China will only end up in self-destruction."⁹ China's increasing presence in the South China Sea, a key global shipping route, has increased tensions with the Philippines. Territorial hostilities between China and the Philippines surged last year in the South China Sea when Philippine ships were forced to be hit with water cannons by Chinese vessels.¹⁰ Philippine claim over the South China Sea is defined by international treaties, including the 1898 Treaty of Peace between the United States of America and the Kingdom of Spain and the 1900 Treaty between the Kingdom of Spain and the US for the Cession of Outlying Islands of the Philippines. China rejects all these colonial-era treaties as forced and unjust and aims to reclaim pre-colonial territories once under its empire. Its stance on disputed islands stems from historical mistreatment by Western colonial powers.

A United Nations (UN) backed arbitration tribunal in 2013 handled the case and invalidated China's historical claims in the South China Sea under the UN Convention on the Law of the Sea.¹¹ Beijing dismissed the ruling as a sham and has urged Manila to honour the 'gentleman's agreement' during the previous Philippine administration to manage the situation on the ground, maintain peace, and prevent conflicts at Ren'ai Jiao in the South China Sea.¹²

The US and its allies' vision of East Asia

The US views China as a revisionist power that contends to replace the underpinned liberal order with a new order grounded in socialism with Chinese characteristics and seeks to pursue a sphere of influence in the 'Indo-Pacific' by becoming a regional power in Asia. Hence, it views the BRI, GDI, and GSI as economic, diplomatic, military, and technological tools to seek and assert its hegemony in the region. The renewed military alliances, like the US-Japan-Philippine summit and US-Philippine strategic alliance, in which the deployment of medium-range ballistic missiles in the Philippines is adding fuel to the fire in a conflicting region. With the growing US military assets in the area and NATO's proposed expansion, it is no wonder that China feels encircled and regards the grouping and the broader web of US security partnerships as a China containment strategy. Moreover, the US's increased support for Taiwan and its affirmation to defend it in the event of Beijing's aggression have strained the relationship. The visit of US House Speaker Nancy Pelosi to Taiwan in 2022 downgraded Sino-US relations and led to the suspension of military-to-military ties. Since then, tensions have exacerbated between the two countries, with controversy over a suspected Chinese surveillance balloon in US airspace and a near-collision between a Chinese warship and a US destroyer in the Taiwan Strait making matters worse. Likewise, US President Joe Biden categorising President Xi as a dictator has put the relationship at the lowest ebb, dashing hopes that the security summit could allow the two powers to improve and stabilise relations.

Can ASEAN ameliorate rising insecurity in East Asia?

ASEAN nations understand that their economic future lies with Beijing, accentuated by the fact Beijing is the largest ASEAN trading partner, and a new survey by the Institute of Southeast Asian Studies indicates that people in Southeast Asia favour alignment with Beijing over Washington.¹³ The 'strong, almost unquestioning' pro-Israel stance of the US, particularly during the Gaza war, has diminished confidence in the US commitment to a rules-based order. The study highlights that China's popularity surged among respondents, with 50.5 per cent preferring alignment with China, up from 38.9 per cent the previous year.¹⁴ In contrast, US favorability dropped from 61.1 per cent to 49.5 per cent. The study predicts that

China's influence will continue to grow in the region if no balancing force emerges. BRI has significantly benefited Indonesia, Thailand, Brunei, and Laos. Conversely, support for the US has declined in Vietnam, Singapore, Myanmar, and Cambodia. The Philippines stands out as an exception, showing increased confidence in the US, likely due to rising tensions in the South China Sea. Hence, unresolved territorial disputes regarding the South China Sea are the only friction that adds layers of complexity to East Asia. In this regard, the Shangri-La Dialogue allows ASEAN to negotiate a Code of Conduct (COC) for the South China Sea. The resumption of military-to-military contact between the US and China in the 21st Shangri-La Dialogue gave the prospect that both powers aspire to manage strategic competition, thus decreasing the high hostility prevalent in the previous year's dialogue. ASEAN nations must now play a pivotal role in formulating a long-term diplomatic approach to ensure regional stability and balance economic cooperation with China and security cooperation with the US to avoid any proxy battleground in East Asia. ASEAN members, through constructive engagement, dialogue, collaboration, and confidence-building measures, should solve their respective territorial disputes with China so that a COC regarding the South China Sea and disputed islands can be laid and the groundwork for a sustainable resolution can be achieved, which can lead to a peaceful East Asia.

Conclusion

The 21st Shangri-La Dialogue in 2024 partially succeeded in renewing efforts for restoring military-to-military contact between the US and China but failed to bridge the mistrust affecting Sino-US relations. The future of East Asia hinges on a balanced relationship between the US and China in such a way that strategic competition remains balanced. In this regard, the role of ASEAN has become more vital than ever in managing these rising multifaceted challenges in the region. ASEAN nations can use platforms like the Shangri-La Dialogue to maintain regional stability and prosperity in a tense geopolitical landscape. They can shape their future by strengthening economic ties, enhancing security partnerships, and addressing territorial disputes through diplomacy. Asia will play a decisive role in the world's future. ASEAN stands at a crossroads to chart an independent road map based on collective growth, security, and sustainability or remain pawns in the geopolitical chess game.

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