



SHANGRI LA 2015 AND THE CONTEST OVER THE SOUTH CHINA SEA: A DIALOGUE OF THE DEAF?

By June Teufel Dreyer



*June Teufel Dreyer is a Senior Fellow in FPRI's Asia Program as well as a member of the Orbis Board of Editors. She is Professor of Political Science at the University of Miami, Coral Gables, Florida. Her most recent book is *China's Political System: Modernization and Tradition*, ninth edition, 2014, and her current project is a book on *Sino-Japanese relations*, under contract to Oxford University Press.*

Each year, high-ranking officials of mainly Asia-Pacific and European states gather in Singapore for what is known in diplomatic circles as a full and frank exchange of views. Founded at the turn of the century under the aegis of London's prestigious Institute of International Strategic Studies, the meeting takes its name from the hotel that hosts the meeting rather than the mythical Himalayan land of peace and harmony. The roster of speakers tends toward prime ministers and defense ministers, though perhaps to score a symbolic point, China's highest-ranking delegate is typically at vice-ministerial level. Often the sideline conversations among concerned parties are at least as important as the speeches.

With numerous disputes simmering, most notably China's island-building activities in contested areas of the South China Sea, the 2015 meeting was eagerly anticipated. Beijing had prepared its position well, releasing its Military Strategy White Paper just before the conference began. While replete with the usual anodynes on the value of maintaining world peace, the paper warned of "new threats from hegemonism, power politics, and neo-interventionism," very plainly meaning the United States. At the same time, the Chinese military conducted its first joint naval exercises with Russia in the Mediterranean.

Washington, although not a claimant to any of the disputed areas, had also made its position plain. In April, the navy issued its first unclassified report on the Chinese navy since 2009, noting that President Xi Jinping's emphasis on "new historic missions" was driving naval development into new, increasingly distant operating areas.¹ In a longer document issued a month prior, the navy stated that by 2020, approximately 60 percent of US navy ships and aircraft would be based in the region. An additional attack submarine was to be added to those already in Guam; and the number of littoral combat ships stationed in Singapore increased to four. A week before the Shangri La gathering, CNN ran a tape, obviously made with the navy's cooperation, showing a U.S. surveillance plane being warned off the area near where Beijing's island construction was taking place.

The speeches of the dramatis personae did not disappoint. Prime Minister Lee Hsien Loong of Singapore led off with an affirmation of America's role as a Pacific power while noting the rising importance of China. The nations of the area, he said, hoped for positive engagement between the U.S. and the PRC, not wishing to have to choose between the two. Lee added pointedly that, when Washington and Beijing say that the Pacific is vast enough for both, he hoped it did not mean vast enough for them to divide between themselves.

U.S. Secretary of Defense Ashton Carter followed with a speech announcing that America was back. In an implicit rebuttal of declinists who had argued that a gradually weakening America would be unable to protect its Asian allies, Carter noted that

¹ United States Navy, *The PLA Navy: New Capabilities and Maritime Missions for the 21st Century*, April 2015, p. 43.
http://www.oni.navy.mil/Intelligence_Community/china_media/2015_PLA_NAVY_PUB_Print.pdf

both the country's jobs and its Gross Domestic Product were on the rise. Indeed, though the secretary did not mention it, this reinforced the message of a speech Prime Minister Lee had made in Beijing two years before when he reminded his audience of America's ability to innovate and bounce back from adversity.²

Moreover, Carter continued, the United States was in Asia to stay, wanting no more than a shared regional architecture that allowed all states to rise; to this end, it would protect freedom of navigation for all. In what was the most remarked upon statement of the conference, Carter declared

There should be no mistake the United States will fly, sail, and operate wherever international law allows, as U.S. forces do all around the world. America, alongside its allies and partners in the regional architecture, will not be deterred from exercising these rights---the rights of all nations. After all, turning an underwater rock into an airfield simply does not afford the rights of sovereignty or permit restrictions on international air or maritime transit.³

The U.S. would, he warned, deepen long-standing alliances and partnerships, and commit additional assets to the Asia-Pacific, specifically naming the latest Virginia-class submarines, surveillance aircraft, stealth destroyers, and new technologies like the electromagnetic railgun and "new systems for space and cyberspace, *including a few surprising ones.*" [emphasis added]

Japanese defense minister Nakatani Gen's address also bluntly confronted the South China Sea issue. Serious challenges, said Nakatani will never be solved or disappear on their own: If left unchallenged, peace and stability will be lost forever. All countries should respect international law---an indirect reference to the fact that the 9-dashed line under which the People's Republic of China (PRC) claims 80 percent of the East China and South China seas has no basis in international law.

In a clever barb clearly aimed at Beijing, Nakatani cited eminent Chinese philosopher Lao Zi's words "to know you have enough is to be immune from disgrace. To know when to stop is to be preserved from perils," adding "Would you not agree that now is the time to follow these words?"

Pressure must be exerted to ensure a legacy of peace and stability for the next generation. Nakatani suggested a new meaning for an old acronym: not the Strategic Defense Initiative that is better known as Star Wars, but a "Shangri La Dialogue Initiative," to include the wider promotion of common rules and laws of the sea and air in the region; maritime and aerospace security, and improvement in disaster response capability.

The Chinese representative's rejoinder was much anticipated. Perhaps in recognition that naval issues were paramount in the region, the PRC had for the first time sent an admiral. Sun Jianguo, Deputy Chief of the PLA's General Staff, earned the nickname "iron captain" during his days as a submarine commander, and was said to be well versed in maritime law. However, the speech itself was a disappointment, with one former high-ranking State Department official commenting that it had "gone off [his] cliché meter." China would, the admiral said, adhere to the path of peaceful development, was committed to promoting regional and international prosperity and stability, actively fulfill its international responsibilities, play a constructive role, and adhere to the approach of dialogue and consultation. A win-win outcome would be achieved through cooperation.

Sun's answers to the pointed questions he was asked by participants tended to be evasive and, pleading lack of time, he departed early. When asked whether China intended to set up an South China Sea Air Defense Identification Zone to parallel the controversial ADIZ it had established in the East China Sea in November 2013, the admiral replied that although no definite decision had been made, the PRC reserved the right to do so based on its assessment of aerial and maritime threats in the region.⁴ Sun was noticeably thumbing through a briefing book provided for him by the PRC's defense ministry and then reading out its stock answers verbatim. He did not answer questions on with whom China was cooperating on South China Sea issues, on who besides China was winning, on why he insisted that the PRC was not interfering with international navigation, or on whether the PRC leadership regarded the legacy of its "century of humiliation" to have been overcome.

² *New York Times*, September 6 2013

http://www.nytimes.com/2012/09/07/world/asia/singapores-prime-minister-warns-china-on-view-of-us.html?_r=0

³ All speeches, including Carter's, are available on the IISS Shangri La website,

<http://www.iiss.org/en/events/shangri%20dialogue/archive/shangri-la-dialogue-2015>.

⁴ *New York Times*, June 1, 2015. http://www.nytimes.com/2015/06/01/world/asia/china0says-it-could-set-up-air-defense-zone-in-south-china-sea.html?ref=asia&_r=0

Although giving no public acknowledgement thereof, the Chinese leadership must have been aware of the deficiencies of Admiral Sun's performance. News of the Shangri La dialogue and associated South Sea sovereignty issues was censored from Chinese language media reports, though allowed in foreign language news and broadcasts. The intent was presumably to avoid inciting domestic nationalism.⁵ Many netizens had already been quite critical of the defense white paper only a few days before the Shangri La Dialogue began, urging the government to "stop letting clowns humiliate it," and "kill one in order to warn others."⁶

From the sidelines, Japan, the United States, and Australia released a joint statement expressing serious concern over China's ongoing land reclamation activities and urged Beijing to exercise self-restraint. The Australian defense minister, Kevin Andrews, then went to Tokyo for further discussion on deepening defense cooperation, including Canberra's plans to purchase Japanese submarines.⁷ President Benigno Aquino was also in Tokyo where, in a speech to business leaders, he compared the PRC's territorial expansionism to that of Nazi Germany and asked "at what point do you say 'enough is enough?' Well, the world has to say it."⁸

Aquino held consultations with Prime Minister Abe Shinzō, resulting in a joint communique expressing the two countries "serious concern on unilateral actions to change the status quo." The two agreed to negotiate the transfer of Japanese defense equipment and technology to the Philippines; Japan had previously agreed to contribute patrol vessels to the Philippine coast guard.

Meanwhile, Ashton Carter travelled to Vietnam, becoming the first American secretary of defense to visit a Vietnamese military base. Last year, the U.S. partially lifted its arms embargo against the country, and on his current visit Carter pledged \$18 million for the purchase of patrol vessels. The two sides also discussed greater military-to-military cooperation.⁹

Travelling on to New Delhi, Carter and Indian officials finalized a Defense Trade and Technology Initiative, the result of discussions between U.S. President Barack Obama and Indian Prime Minister Narendra Modi during the latter's visit to Washington in January. The two sides discussed cooperation on aircraft carrier technology and jet engines, with Carter becoming the first U.S. secretary of defense to visit an Indian operational military command.¹⁰

As these events were unfolding, it was revealed that Chinese hackers had gained access to the personal data of four million U.S. government employees.¹¹ U.S. government officials speaking anonymously, speculated that a major purpose was to gather information on those who were vulnerable to recruitment for espionage purposes.¹² This will do little to reinforce the image of a China that aims at win-win outcomes through peaceful cooperation that Beijing would like to project.

For now, the takeaway from Shangri La is that all sides have hardened their positions and that China intends to proceed with its ambitious plans, reasoning that a combination of its size, its military power, and the economic benefits of cooperating with it will deter most countries from participating in a meaningful countervailing coalition. Efforts to create such a coalition are nascent and thus far inadequate. The major unanswered question is that raised by Philippine leader Aquino: at what point, if any, will the world say "enough."

⁵ *South China Morning Post*, June 4, 2015. <http://www.scmp.com/news/china/politics-pollitics/article/16816138/china-takes-two-track-approach-censoring-singapore>.

⁶ See, e.g. *Sina Weibo* May 26, 2015. <http://weibo.com/5596333721>

⁷ <http://www.mod.go.jp/e/pressconf/2015/06/150602.html>

⁸ *AFP*, *South China Morning Post*, June 3, 2013. <http://www.scmp.com/news/asia/diplomacy/article/1815677/philippine-president-likens-chinas-territorial-rise-nazi>

⁹ <http://www.defense.gov/news/newsarticle.aspx?id=128955>

¹⁰ <http://www.defense.gov/news/newsarticle.aspx?id=128973>

¹¹ *New York Times*, June 4, 2015. <http://www.nytimes.com/2015/06/05/us/breach-in-a-federal-computer-system-exposes-personnel-data.html?hp&action=click&pgtype=Homepage&module=first-column-region®ion=top-news&WT.nav=top-news>

¹² *Washington Post*, June 6, 2015. http://www.washingtonpost.com/world/national-security/in-a-series-of-hacks-china-appears-to-building-a-database-on-americans/2015/06/05/d2af51fa-0ba3-11e5-95fd-d580f1c5d44e_story.html