

RESEARCH NOTE

At Shangri-La Dialogue, a Search for US-China Guardrails

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Executive Summary

The 20th Shangri-La Dialogue, the high-level security forum, took place in Singapore in early June

While the U.S. and China emphasized the importance of dialogue, no bilateral exchanges occurred during the forum

Officials from Southeast Asia and Japan are seen as increasingly important. The Philippines is signaling closer security ties with the U.S., while NATO plans to engage more deeply with Tokyo—including establishing the first Asian liaison office in Japan, a move resisted by several European members

The forum highlighted stronger alignment among Euro-Atlantic and Indo-Pacific U.S. allies over tensions in Asia, which China has deemed a “bloc confrontation” led by Washington

Background and Context

In early June, the 20th Shangri-La Dialogue convened over three days in Singapore. Organized by a London-based think tank, the International Institute of Strategic Studies, the annual security forum brings together senior defense officials, diplomats and other leaders from over fifty countries. Traditionally focusing on Indo-Pacific security matters, it also presents a Euro-Atlantic perspective. This year’s discussions ranged from cybersecurity and technological competition to challenges around Asia-Pacific military capacity and the nuclear dimensions of regional security. Notably, the forum is one of the few platforms that directly confronts issues such as the status of Taiwan, the South China Sea and North Korea’s missile and nuclear capacities in a high-level manner.

A number of participants drew parallels between Russia’s invasion of Ukraine and China’s ambitions on Taiwan, while also expressing concerns about the rapidly deepening relationship between Beijing and Moscow amid the escalating war in Europe. The failure of the U.S. and its allies to deter Russia’s aggression in Ukraine has stirred unease about the future of Taiwan and the Indo-Pacific at large. Those worries help explain the shift in American policy on the Taiwan question; as Japanese Prime Minister Fumio Kishida put it during the 19th Shangri-La Dialogue one year ago, “Ukraine today may be East Asia tomorrow.” Indonesian Defense Minister Prabowo Subianto echoed that sentiment this year, declaring that “the danger of catastrophe is near.” As such, this month’s dialogue was shrouded in a sense of urgency to address the balance of power in the Indo-Pacific.¹

Key Issues

U.S. Defense Secretary Lloyd Austin stated that “the whole world has a stake in maintaining peace and stability in the Taiwan Strait. The security of commercial shipping lanes and global supply chains depends on it. And so does freedom of navigation worldwide. Make no mistake: conflict in the Taiwan Strait would be devastating.” He continued, “We do not seek conflict or confrontation, but we will not flinch in the face of bullying or coercion.” In the following days, Chinese Defense Minister Li Shangfu asserted in a separate speech that Taiwan is part of China’s international affairs, and that “China will not tolerate foreign intervention [...] the Chinese military will neither hesitate nor be afraid to defend its sovereignty and territorial integrity, regardless of the cost.”²

Both the U.S. and China have stressed the importance of dialogue and recognize the dramatic stakes of any military confrontation. This understanding resonated throughout the dialogue. Australian Prime Minister Anthony Albanese remarked that a war “would be devastating for the world.” However, no bilateral meeting of American and Chinese officials took place during the conference. Outside the forum, tensions also arose between China’s naval fleet and a joint U.S.-Canada drill in the Taiwan Strait. Washington views the action as an exercise of freedom of navigation in accordance with international laws, while Beijing perceives it as a provocation. American officials warned against China’s norm-breaking behavior in the South China Sea and expressed concern over the Taiwan issue, while their Chinese counterparts accused the U.S. of forming a military bloc against China and subscribing to a Cold War mentality.

In early 2023, U.S. President Joe Biden found some success in deepening security alliances with the Philippines and South Korea, with the latter agreeing to harbor American nuclear submarines. Japan and South Korea have renewed efforts to overcome disagreements around trade disputes and wartime forced labor issues, paving the way for greater strategic cooperation (see our March 20 research note,

“South Korea and Japan Try Again to Overcome Bitter Historical Memories”). Japan also recently took a leadership role in hosting the G7 summit, which concluded with a joint communiqué³ expressing the body’s unified support for a free and open Indo-Pacific region. Such a role implies a fundamental shift in Japan’s security posture and policies, one that is indeed already underway (see our January 2 research note, “Japan Issues a New National Security and Defense Strategy”). Additionally, NATO and Japan have proposed opening an Asian liaison office in Tokyo, a move resisted by France and several other European NATO members.

South Korea, Indonesia, Singapore, Australia and the Philippines have moved closer to the U.S. over the last two years. Secretary Austin has praised “historic strides forward” taken in the alliance with Manila, with four new locations recently designated under the Enhanced Defense Cooperation Agreement and a U.S. commitment made to help further modernize the Philippine military. The U.S. is also encouraging closer relations between Japan and the Republic of Korea, welcoming trilateral cooperation with both, and supporting Japan’s new National Security Strategy. The U.S. plans to station its most advanced Marine Corps formation in Japan by 2025 and to increase the rotational presence of its forces in Australia.⁴

What’s Next

Most Indo-Pacific states will need to adapt to a deteriorating strategic environment. Some countries will have to reorient international resources and adjust domestic policies to meet the expectations of the proposed military capacities and counter-formations discussed during the Dialogue. At the same time, Shangri-La this year also revealed some early (albeit tentative) steps toward developing some kind of guardrails or safety net for the U.S.-China relationship. Some progress seems to have been made in recent weeks and we expect this to be one of the key geopolitical dynamics over the summer. Both Washington and Beijing realize that the risks have grown. In Singapore, they started to think about the best framework to manage them.

1 <https://www.iiss.org/publications/strategic-dossiers/asia-pacific-regional-security-assessment-2023/aprsa-chapter-1/>

2 https://www.gov.cn/yaowen/liebiao/202306/content_6884482.htm

3 <https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/20/g7-hiroshima-leaders-communicue/>

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