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## **The South China Sea Disputes: Makings of a New Cold War?**

*By KB Teo*

### **Synopsis**

*Tensions in the South China Sea (SCS) have somewhat abated but the latent flashpoint remains. In mid-October 2018, a near collision took place between an American and Chinese warship. The US has attacked Beijing's expansionism. In September 2018, Japan conducted its first-ever submarine drills in the waters. If the dispute escalates, ASEAN will not be able to avoid the negative fallout.*

### **Commentary**

DESPITE PROTESTS from China to the 2016 international arbitral ruling against its territorial claim, tensions in the South China Sea have been somewhat abating. But the South China Sea waters remain a flashpoint. In mid-October 2018, a near collision took place between the USS Decatur and the Chinese warship the Lanzou.

The Decatur was conducting a Freedom of Navigation Operation (FONOP), asserting the right of free passage through international waterways. The Lanzou was asserting Beijing's sovereignty claim over the South China Sea. In a speech at the Hudson Institute on 4 October 2018, US Vice President Mike Pence launched a ferocious attack against Beijing's foreign policy of "authoritarian expansion" and "intimidation".

### **Assessing the Powers' Influence over SCS**

The overarching dominant actors influencing the state of peace and tensions in the South China Sea are China and the United States. Japan, a regional power, is emerging to be a player as well given Tokyo's concern for its economic lifeline being affected by tensions in the regional waters.

What are the goals of these three players in the South China Sea?

## ***China's Game***

China's goal is to gain dominance of the South China Sea. This would give it two advantages. One, control over the vast oil, gas, and fisheries resources there. This would help to boost China's annual economic growth rate, which has slowed from 10% (after Deng Xiaoping's Open Door Policy 40 years ago) to the current 6.5%. An estimated one-third of annual global shipping passes through the South China Sea.

Two, it would restrict other rival powers' access to the South China Sea. Since 2005, Beijing has been unilaterally "militarising the islands" in the Sea: placing long-range warplanes and missiles. President Xi appears to see the South China Sea as a "core interest" of China, as in the cases of Taiwan, Xinjiang and Tibet.

In June 2018, President Xi told visiting US Defence Secretary Jim Mattis that China would not "withdraw even one inch from its ancestral land". In effect, Beijing has formulated an Asian "Monroe Doctrine". It is part of President Xi Jinping's 2013 "China Dream", which called for the "great rejuvenation of the Chinese nation".

## ***Xi's Muscle Flexing?***

Xi has repeatedly exhorted the military to be ready "to fight and win wars under modern conditions". This is a reference to Beijing's memories of China's "Century of Humiliation" (1839-1949).

Xi sees Washington as trying to contain China's rise: the US has encircled China with its ring of alliances in Japan, South Korea, and the Philippines. China is keen to have good relations with the United States. Speaking at the November 2018 Canton Trade Fair, President Xi said that China would open up more for imports. A similar statement was made by Vice President Wang Qisan during his visit to Singapore in early November 2018.

In November 2018, China and the US resumed high-level talks, ahead of the East Asia Summit (EAS) in Singapore, which concluded last week. Xi and President Trump met at the G20 Summit in Argentina in early-December 2018. While they huddled over their trade dispute, the South China Sea did not seem to have featured in their talks.

## ***Japan's Growing Interest***

Tokyo has no claim over the South China Sea. But Japan is deeply concerned about China's behaviour in the waters. In November 2014, Beijing had unilaterally declared an Area Defence Identification Zone (ADIZ) over the East China Sea.

All of Japan's oil and gas imports pass through the South China Sea and the Malacca Strait. Chinese control of the South China Sea would threaten Japan's economic lifeline. This is clearly unacceptable to Tokyo. There is a growing strategic rivalry between Japan and China. They have a maritime territorial dispute over the Senkakus/Diaoyus in the East China Sea.

Japan has sold Coast Guard patrol ships to Vietnam and the Philippines. In October

2018, Japan sent its destroyers and conducted submarine drills in the South China Sea for the first time ever – to send a message to Beijing about its right of passage through international waterways. This is the same that Washington has been sending out to Beijing.

But amid their growing economic interdependence, Japan and China are also keen to limit their rivalry. PM Shinzo Abe visited China in October 2018 to boost bilateral ties. It was the first such high-level visit in seven years.

### ***US Getting Tougher?***

Washington is strongly opposed to Beijing's claim over the South China Sea. In 2017, President Trump called China a "rival", and a "peer competitor". The US would not tolerate Beijing seeking hegemony. Defence Secretary Jim Mattis, speaking at the Shangri-La Dialogue in Singapore in June 2018, had demanded that Beijing stopped the militarisation of the South China Sea.

He warned Beijing of unspecified "severe consequences". Admiral Philip S. Davidson (Chief, Pacific Command) told the US Congress in October 2018 that the US had lost control of the South China Sea, short of war with China.

### **Implications: The Makings of a New Cold War?**

China has taken a tough but pragmatic approach to the South China Sea disputes. There are no signs that Beijing would give up its claim. The result is a new Cold War between the two largest economies in the world.

At the just concluded 33rd ASEAN Summit in Singapore, the South China Sea disputes were discussed. Prime Minister Lee Hsien Loong hoped that China-US relations would remain stable. ASEAN does not want to choose between the two superpowers.

China and the US are the two biggest trading partners of the ASEAN states. But if Beijing and Washington escalate their conflict, ASEAN would not be able to escape the negative fallout: "When two elephants fight, the grass gets trampled".

At the just-ended APEC Summit that followed in Papua New Guinea, China-US differences on trade and security were again on display. The APEC Summit ended without a formal leaders' statement due to China-US division over trade. But it is not just about trade. The US sees Beijing as trying to establish a Pax Sinica, to replace the existing Pax Americana. The result could be more than a new Cold War.

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