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DECODING CHINESE FOREIGN POLICY

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States need to understand Beijing's practice of 'false dilemmas' and its revanchist narrative, and stand firm without provoking China unnecessarily

When Hong Kong Customs seized nine Singapore Armed Forces (SAF) Terrex armoured vehicles in November 2016, Singaporeans worried about the state of Singapore-Sino relations. The Republic had voiced support for the July 2016 [Permanent Court of Arbitration's \(PCS\) judgement](#) favouring the Philippines against Chinese claims over the 'nine-dash line' in the South China Sea, much to the chagrin of Beijing.

Two things were clear to all: China was showing its displeasure with the Republic, and diplomatic back-to-forth between the two countries was in the offing. What was less clear was when the Terrexes would be released, if ever.

"I was extremely confident they would give back our Terrexes when I saw they seized them in Hongkong instead of Xiamen [in Mainland China]," said **Bilahari Kausikan**, Ambassador-at-Large at the Ministry of Foreign Affairs of Singapore. "If it happened in Xiamen, it'd be a direct Singapore-to-PRC governmental confrontation; neither of us would give way and our governments would do things neither would want to do. They didn't want that."

When Beijing announced that the case would be decided by Hong Kong's courts, which are based on the English legal system, Singapore asserted sovereign immunity. It was the "obvious defense" said Kausikan because the doctrine of sovereign immunity states that sovereign states are exempt from the jurisdiction of foreign national courts.

China could not force Hong Kong's courts to decide against Singapore because the PRC "are the champion advocates of sovereign immunity everywhere else in the world", Kausikan points out.

"If [the PRC] forced the Hong Kong courts to decide against sovereign immunity, it would become a precedent that can be used against them."

FALSE DILEMMA

Speaking at a recent SMU-SOSS International and Asian Studies Workshop titled "*Navigating the Global Power Shift: China's Rise and President Trump's America*", Kausikan explained the Chinese practice of creating a false dilemma: If you want China to co-operate with you in one area, do not interfere with Chinese interests in some other area. In the case of Singapore, it was ostensibly Taiwan, where the Terrexes had been on a regular SAF exercise before heading back to Singapore.

"They wanted to negotiate with us but we refused," recounts Kausikan, a Senior Fellow at the SMU School of Social Sciences. "We would fall into their trap of choosing [an option presented by] a false dilemma if we did. They would have started talking about phasing out the training in Taiwan in 10 years, we would then counter with eight, and they would then propose seven and so forth; there would be no end to it."

"If the Chinese didn't think cooperation on any issue is in their interest, there is no deal, no matter what you do in other areas. Conversely, if they thought it was in their interest, then they won't care what you do in other areas, either."

He warns: "The simplest course of action is to do as the Chinese say, and you shall be rewarded. So let's say they tell you to stand, you stand. They tell you to sit, you sit. But If someday they tell you to kneel, do you kneel?"

In Kausikan's view, China did not create additional trouble around the Terrex issue because of Singapore's involvement in the Chongqing Connectivity Initiative (CCI), where the island state brings "credibility and the good housekeeping seal of approval" which the Chinese value.

"We don't want to go too far and neither do the Chinese. We have a good relationship."

Besides, the Chinese are gearing up for a fight with President Trump, so we become small beer."

STALEMATE OVER THE SOUTH CHINA SEA...AND TAIWAN

Indeed, all signs point to a Sino-U.S. confrontation on many fronts. Trump consistently accused China of snatching American jobs during the presidential campaign, and even labeled the PRC as "the single greatest currency manipulator that's ever been on this planet". While Trump has yet to fulfill a promise to label China as a currency manipulator on his first day in office, his direct contact with Taiwanese president Tsai Ing-wen seven weeks before he was inaugurated infuriated Beijing.

"Successive U.S. administrations have said to Taiwan since Lee Teng-Hui times: 'If you go for independence, you do it on your own. But if it's China that attacks you unprovoked, the U.S. will help you,'" Kausikan explains. "So for Taiwan to declare independence, they need American support. As long as [the U.S. do not actively promote Taiwanese independence], the Chinese are assuaged."

"No Chinese government can survive the loss of Taiwan. Their own people would lynch them, particularly with this great Chinese rejuvenation narrative that they have propagated."

Citing Beijing's loss of territory during times of weakness – Siberia to Russia in the 1860 Convention of Peking, Mongolia's declaration of independence from the Qing dynasty in 1911 –

Kausikan highlighted the Communist Party of China's (CPC) strategy of basing their legitimacy to rule on an economic rise that has stoked nationalistic pride. According to Kausikan, China's island-building in the South China Sea is a manifestation of a revanchist drive that helps bolster the CPC's top priority: its own survival.

"It's essentially a stalemate that will continue," Kausikan elaborates. "The U.S. cannot make the Chinese dig up those artificial islands and throw them in the sea, and the Chinese cannot stop the U.S. from operating over, through, and under the South China Sea. If China tried to do that, there would be war, which would put into jeopardy China's core interest: the preservation of the Communist Party of China.

"That's why they are running tours [to the Paracel Islands, 西沙 to the Chinese]– to show their own people: 'Hey, we're doing something.' That's why they will never give up [building islands in the South China Sea]."

HIGH STAKES IN CHINA

As China takes on a more assertive – some would say aggressive – stance to shape international geopolitics to its preference, President Xi's speech in Davos earlier this year paints China as a fully co-operative, if dominant, economic player. Indeed, he had this to say:

"It is true that economic globalisation has created new problems, but this is no justification to write economic globalisation off completely. Rather, we should adapt to and guide economic globalisation, cushion its negative impact, and deliver its benefits to all countries and all nations."

"Was Xi being the new upholder of the liberal international order?" Kausikan asks rhetorically. "He was trying to score some points, no doubt. But I read it in a different way. I read it as insecurity.

"Because he has no alternative to the liberal international order. The Chinese don't like it very much even though they are the main beneficiary, but now they have to step up to the plate because nobody else can."

In addition, Xi will look to consolidate his legacy and power by putting in powerful positions allies friendly to his economic and political agenda at the upcoming 19th National Congress of the CPC. If the economy, which is inextricably tied to slowing global trade, suffers more setbacks, political pressure could be cranked up on China's top man.

Kausikan observes: "The threat is existential: If President Trump screws up his trade policy and throws the world into recession, he'd be thrown out of office to be replaced by someone else in four years. For China, if the economy fails, the CPC's legitimacy to rule is at stake.

"So Xin Jinping's brave words at Davos only mask a deep sense of insecurity. There's a structural and an immediate problem. The immediate problem is the 19th NPC at the end of the year. The stakes are higher than usual for the party and Mr. Xi personally."