

## CATEGORY 2A PROJECT: WRITTEN REPORT 2019

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### Singapore's Place in the Sino-American "Love Triangle"

Group 2-12

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#### Group Information

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<b>Topic</b>	Singapore's Place in the Sino-American "Love Triangle"
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#### Abstract

In recent years, US-China relations have deteriorated. With the US adopting a protectionist stance towards its relations with China, the dynamic between the two countries has become increasingly hostile, marking a shift in the actions of both countries and resulting in a downwards trend in international trade since the 2008 Economic Crisis. With Singapore having strong diplomatic ties with both countries, it has the ability to change this relationship in order to make a positive shift in US-China relations moving forward, considering the immense potential for collaboration between the two countries. This research paper aims to discuss the reasons behind the deterioration of US-China relations, and Singapore's role in the Sino-American "Love Triangle", taking recent factors into account.

## **Chapter 1.**

### Introduction

#### **1.1 Background**

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The United States (US) has always been a supporter of free trade. Since World War II ended, the US saw a meteoric rise to the top of the global hierarchy, becoming an international superpower and the leader of the Western bloc during the Cold War, establishing a stable hegemony based on liberal principles as a dominant economic, political and technological power. Since the Roosevelt administration, the US has supported important free trade agreements and groups such as the World Trade Organisation, establishing it as the leader of the free trade movement. Despite its connection to free trade, the United States also has an extensive history with protectionism which stems way back to the end of the American Civil War. Today, however, U.S. policymakers' free trade rhetoric has been tempered by a "guardian" mentality intended to shelter domestic industries and workers from the full impact of globalisation and open trade.

China, on the other hand, has only recently opened to substantial amounts of trade with other countries, and through recent programmes such as One-Belt-One-Road, whose supposed aims are to assist smaller countries, has been stably building up her sphere of influence, much to the US's chagrin. China has also been slowly but surely improving her economy too, both through domestic reforms, and international programmes (such as One-Belt-One-Road); this economic improvement and growing sphere of influence on China's part challenges the US's hegemony for the first time since the Soviet Union collapsed.

Confrontation between the US and China has thus understandably come to a head. The US-China trade war, involving tit-for-tat tariffs, is just one example of the increasingly confrontational attitude between the two, dragging smaller countries such as Singapore into the mix. Although Singapore has acted as a neutral broker between the two countries in the past, it is becoming clearer that it cannot simply remain as a neutral pawn seeing the changing geopolitical climate, prompting us to question its new role in the international community.

#### **1.2 Rationale**

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This research paper aims to examine the economic history – in particular, domestic trade policies - and the geopolitical standing of the US and China in relation to Singapore and observe how they – and Singapore – have learnt from history and adapted to benefit in the long run. While studies have been done on this topic before, recent fluctuations in the situation such as the US-China trade war and the rise of protectionism necessitate taking such factors into account.

Furthermore, we as Singaporeans have a vested interest in the situation as such fluctuations will impact Singapore, and she thus will need to take these well to profit, considering how more than \$177 billion dollars in trade (Fook, 2018), Singapore’s economic stability, and more are at stake.

Singapore, as a small country with strong socioeconomic and political ties to both China and the United States, continues to have a vested interest in the future of bilateral relations between Singapore and these two geopolitical giants. Yet, the drastic changes and instability in the geopolitical climate over the past two decades have resulted in the need to re-examine its foreign relations to ensure Singapore’s safety and continued prosperity.

Hence, the current US-China dynamic must be analysed again, considering the various new factors that have been thrown into the equation, for Singapore to successfully manoeuvre the stormy political climate and preserve essential ties with both countries while at the same time protecting Singapore’s interests.

### **1.3 Research Questions**

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#### **RESEARCH QUESTION 1**

“To what extent did domestic policies and internal changes in the US and China affect diplomatic relations between the two countries?”

#### **RESEARCH QUESTION 2**

“To what extent did the geopolitical standing of the US and China affect diplomatic relations between the two countries?”

#### **RESEARCH QUESTION 3**

“What is Singapore’s role in the ongoing US-China conflict and the larger US-China narrative?”

## **1.4 Thesis Statement**

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Singapore must continue to adapt to her new role in the world along with the US and China's conflicting domestic policies, seeing how their geopolitical rivalry is close to toppling the stability of the liberal economic world order.

## **1.5 Delimitations**

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For the US, we will be focusing on the effects of adopting more protectionist economic policies on the hegemony of the US amidst the Fourth Industrial Revolution, which is also key to studying her relationship with China. Hence, our scope of research encompasses the Industrial Revolutions, starting with the Second Industrial Revolution in the Gilded Age (1870s) and ending in the 21st Century.

As for China, the domestic policies implemented from 1949 (the declaration of the Peoples' Republic of China) up till the 21<sup>st</sup> century will be studied, as the effects of her various changes in domestic policy (Made in China 2025) and key periods (such as the Cultural Revolution) on her exponential rise to second place in the world is part of our focus, and paramount to studying her relationship with the US. China's famous One Belt One Road geopolitical initiative will be studied – it is key to her rapidly growing sphere of influence, one of the largest factors threatening the US' position as hegemon.

## **1.6 Significance**

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Singapore's importance in global trade is immense, as is global trade's importance to Singapore. The country is not only one of the major trading partners and political players in the Southeast Asian region, but also a global trading powerhouse. Singapore largely also has limited barriers to trade and thus advocates global trade, putting it in the perfect position to act as an advisor and moderator to the United States and China.

Hence, Singapore must continue to adapt to her new role in the world along with the US and China's conflicting domestic policies, seeing how their geopolitical rivalry is close to toppling the stability of the liberal economic world order.

## **1.7 Limitations**

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The Sino-American trade confrontation and other events we will look at are currently ongoing, and the full extent of their impacts on the global economy are currently unknown and will take years to fully understand. Thus, the scope of research is limited by how recent these events are. However, the paper will be able to suggest solutions by examining and evaluating the successes of past economic policies and events.

## Chapter 2.

### Literature Review

#### 2.1 Hegemonic Stability Theory

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Hegemonic stability theory is a theory of hegemony first coined by Charles P. Kindleberger (1973). Hegemonic stability theory proposes that a hegemonic distribution of power, defined as one in which a single state has a predominance of power, is most conducive to the establishment of a stable, open international economic system (Webb & Krasner, 1989). This suggests that the decline of an existing hegemon or the state of no hegemon diminishes the stability of the international system.

In his 1973 essay titled “The World in Depression, 1929 – 39”, Kindleberger manages to portray this theory through the use of the 1929 – 1939 Depression Era as an example. Kindleberger expresses his view that the lack of leadership rendered the system unstable (Kindleberger, 1973), stating that with Britain turning away from a leading world role to focus on the Commonwealth and management of the sterling, and the isolationism of the United States, expressed through rejection of both the Versailles Treaty and the League of Nations (Kindleberger, 1973), the world lacked leadership necessary to turn the global economy around, resulting in the widespread Great Depression. Hence, hegemonic stability theory emphasises the necessity of having a hegemon with a concern for the general interest to establish and maintain the stability of the economic world order, essentially assuming responsibility for the state of the world economy. Kindleberger insists that the main lesson of the inter-war years is that “for the world economy to be stabilized, there has to be a stabilizer, one stabilizer” (Kindleberger, 1973).

Hegemonic stability theory mentions that a hegemon must have political strength, military force, and superior national power to gain the ability to forge new international laws and organisations, as well as a large and growing economy, explaining why Britain was unable to lead during the Depression Era as it lacked resources so despite having the will to do so (Kindleberger, 1973). However, it presents the will to lead and establish a hegemonic regime as the main factor towards hegemony, presenting the United States as a prime example as it was unwilling to lead due to its isolationist policies even though it had an abundance of resources to do so (Kindleberger, 1973). The aforementioned requirements are also the reason

why small and medium-sized countries are unlikely to contribute to the production of this public good, since they know that their individual contributions will have little impact on the probability that it will be produced (Webb & Krasner, 1989).

Criticisms of hegemonic stability theory do exist. Specifically, Duncan Snidal (1985) criticises the theory for being ‘very limited to very special conditions’, pointing out that the decline of a hegemonic power can give rise to a collective power comprising different countries who have enough collective resources to work together and keep the system stable. However, given the confrontational, multipolar political climate of today, the possibility of different countries working together to maintain peace and order in the international system is ultimately unlikely as the United States and China square off against each other, allowing hegemonic stability theory to be used.

Hegemonic stability theory is thus applicable to an analysis of the decline of United States hegemony. While soft power is a possible way for the United States to preserve its pre-eminence and international standing, the appeal of free-market capitalism and liberalism, one of the core pillars of American soft power, has been discredited by the Global Economic Crisis (Layne, 2009), which, coupled with the protectionist trade policies being implemented by the Trump administration, could potentially hint to a lack of willingness to lead and maintain its hegemonic regime, severely harming the stability of the liberal international economic order the United States created and led, effectively destabilising the United States’ claim to leadership and resulting in an inability to maintain its hegemony, prompting the use of the theory to link the United States’ unwillingness to lead with its hegemonic decline.

## **2.2 Power Transition Theory**

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World Politics by A.F.K Organski (1958) introduced the world to the theory of Power Transition. Power Transition Theory is a theory about the nature of war in relation to the power in international relations. While generally being classified as part of the realist school because of its focus on power relationships, it differs substantially from that school in terms of methodology and specific conceptual content (Tammen, Kugler & Lemke, 2011).

Power Transition Theory deals with the pattern of changing power relationships in world politics, suggesting that the dynamic aspect of Power Transition, which links major changes in world politics to the uneven rates of economic growth and political development across states,

are driven by concepts such as power, satisfaction and hierarchy, the key components of this theory (Tammen, Kugler & Lemke, 2011). More specifically, on an international level, Power Transition focuses on differential growth rates across nations. The relative change in power, where countries gain and lose power, results in new relationships among nations and the formation of new political and economic entities, creating a divide between those satisfied and dissatisfied with the international system. The potential for conflict is a significant by-product of differential growth rates (Tammen, Kugler & Lemke, 2011) as the danger of war increases when a dissatisfied challenger catches up with or even overtakes an existing hegemon (Chan, 2008). In other words, multipolarity in an international system increases the chance of confrontation between global superpowers, while unipolarity stabilises the international system under a dominant power.

The long cycle theory of war, a reinterpretation of power transition theory by George Modelski (1987), holds that the premise that a hegemonic cycle takes approximately 100 - 120 years to complete, representing a period of extensive social transformation and economic development divided into four periods: The Global War, World Power, Delegitimation and Deconcentration (Pop & Grigoras, 2018). Under the terms of long cycle theory, five hegemonic long cycles have taken place since the 15th Century, with the fifth (that of the United States) set to end around 2030. The theory suggests that the cycle starts with an interval of time marking the transition from one cycle to another, achieved in most cases through war, following which the hegemonic power is acknowledged as such and imposes its role in organizing the global system. Subsequently, the erosion of the legitimacy of the global leader and new economic and social developments take place, leading to the power of the global leader reaching its lowest level. At this point, a new power that could endanger the status of the global leader appears and makes new alliances, restarting the cycle (Pop & Grigoras, 2018).

Power transition also has its critics, however. Harris (2014) points out that a central weakness of extant power-transition theory is its reliance on vanishing disparities in power as an explanatory factor, explaining that peaceful power transitions have also taken place before. He cites the power transition that took place between Britain and the United States during the nineteenth and twentieth centuries as an example of a peaceful transition, pointing out that power transition theory would have wrongly predicted that the United States would have provoked a hostile response from the British Empire (Harris, 2014). However, this can be explained with hegemonic stability theory as Britain's unwillingness to lead allowed a peaceful transition of power to the United States to occur, proving that the theory is still applicable.

Hence, the power transition and long cycle theories are applicable to an analysis of United States hegemonic decline as it is often applied to the relationship between the United States and China, widely seen as a major contender to replace the United States as a dominant power (Friedman, 2005; Kissinger, 2011), with Organski predicting this six decades ago using the theory. The Delegitimation and Deconcentration stages from long cycle theory can be used to analyse the role of protectionist policies in the United States' hegemonic decline. With the Trump administration pursuing a confrontational foreign policy towards China and the eruption of a trade war between the two, the chance of confrontation between the two has never been higher, prompting analysis using these theories.

### 2.3 Transition Economy

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A transition economy describes an economy changing from a centrally planned economy to a market economy. (Feige, 1994)

In PERESTROIKA AND RUBLE CONVERTIBILITY, Feige (1991) describes and gives insight into the Soviet Union's (attempt at) Economic Transformation (as part of Perestroika) as follows.

“... a substantial economic transformation intended to replace centrally planned administrative control over resource allocation with market mechanisms.” (Feige, 1991)

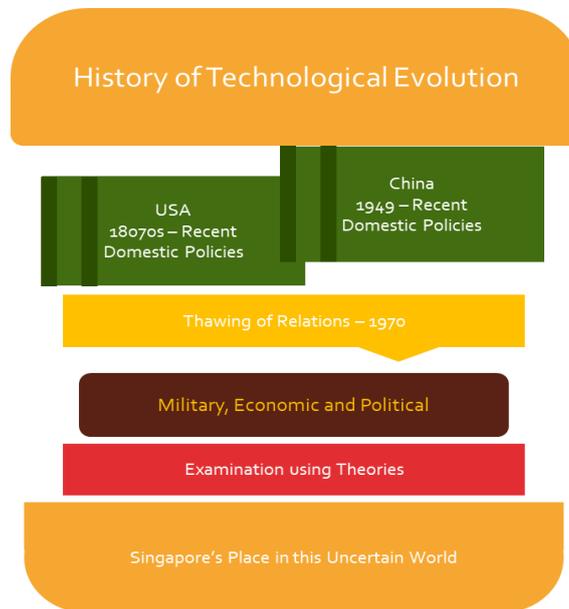
Central to a transition economy are market reforms, specifically from a centrally planned economy (like in a Socialist country) to one where market forces instead control the economy. Transition economies may also include restructuring, where state-owned enterprises may become private, and allowing economic competition with global market forces which makes the economy more in touch with the global economy.

While this idea of transition economy has been proven and repeated many times over – in Poland, Vietnam and Yugoslavia, to name a few, the idea of transition economy laid out by Feige is broad. Most of the literature we are using is from Feige himself too.

However, we will still use this idea of the transition economy to analyse China's economic transition and Singapore's role in it as China's economic transition ultimately fits in with the different changes mentioned in a transition economy, making it easier to see where and how Singapore comes into the picture.

## Chapter 3.

### Methodology



To show how the US' economic policies contributed to her economic success or failure during key economic events in her history, the effects of technological advancements and American domestic and foreign economic policy on the growth of the United States during the Second and Third Industrial Revolutions, specifically focusing on key periods such as the Great Depression (1930s) and the 2008 Global Economic Crisis, will be examined.

In China's case we will be looking at two very different domestic policies in very different time periods – the Great Leap Forward and Made-in-China 2025 – to study how her domestic policies have affected US-China relations.

The US-China relationship will then be studied using Hegemonic Stability Theory and Power Transition Theory; the China-Singapore relationship will be studied by looking at China's economic transition, which Singapore played a significant role in, as improbable as it may sound.

With that, considering the US-China relationship and Singapore's relationship with both powers, we will attempt to conclude what Singapore's new role or roles in the world may be.

## **Chapter 4.**

### Discussion and Analysis

#### **4.1 Domestic Policy and Internal Changes**

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**“To what extent did domestic policies and internal changes in the US and China affect diplomatic relations between the two countries?”**

##### **Isolationism in the United States**

Despite the United States' position as a world leader, protectionism and isolationism has always been a very big part of its domestic policy, such that it could even be called a US “tradition”. According to historians (Moon, 2005 and Nelson, 1989), a “monumental shadow” has been cast by the deep historical isolationism of the United States, even during the Cold War and much of its hegemony. Moon (2005) goes as far to state that “no account of American foreign policy can ignore the monumental shadow cast by the deep historical isolationism of the United States.” This hostility to foreign pressures and an antipathy towards multilateral policies naturally led to protectionism, a rejection of both, becoming a domestic policy. This protectionism can be seen for much of US hegemony in the 20<sup>th</sup> Century, most notably when the Neutrality Act of 1935 was passed, and during the US-Japan trade war in the 1980s. This was possible due to the lack of reliance on the international economy, as the United States controlled about twenty percent of global trade, yet American exports constituted less than 5 percent of US GNP.

However, the main shift in American attitudes occurred at the turn of the 21<sup>st</sup> Century, during the post-Cold War era. The policies of isolationism and protectionism have become more prominent, as seen from the actions of President Trump, whose 2016 “America First” election campaign championed an isolationist approach towards foreign policy, putting America's needs, including its economic needs, first. His vision of protecting American domestic economies resonated with the American people, resulting in his shock victory. This shows how protectionism, a domestic policy, still applies to an isolationist US foreign policy even today due to the American fear of losing its standing in the global arena.

##### **Development in China**

Many of China's domestic policies focused on development (Hussain, 1985) – of the economy and the people – throughout her modern history. These domestic policies have stemmed from a desire to improve the economy and people – their focus had little to do with other countries. (Deliusin, 1991)

However, these domestic policies have inevitably and unintentionally been key in the fluctuating and temperamental US-China relationship.

The effects of these domestic policies in China on the US-China relationship can be seen by examining two different domestic developments in different time periods – the Great Leap Forward and Made in China 2025.

The Great Leap Forward was born out of China's problems with her FFYP and her wish to industrialise, to achieve "Communism ahead of time" through labour-intensive and thus native methods (Deliusin, 1991) – without using "capitalism in the service of Communism" (KATAOKA, 1969), proposing ideas such as people's communes and backyard furnaces.

However, it contributed to the Great Chinese Famine, leading to widespread international condemnation of the whole affair – some of it from the USSR, much of it from the US (which was already on poor terms with China), even today – decades after it happened.

The Leap itself also attracted international condemnation due to the use of violence and hard labour.

It can thus be seen the extent to which this domestic development affected international relations, and US-China relations.

More recently, Made in China 2025 was born out of China's desire to go yet another rung up the economic ladder – from the "World's Factory" to a producer of higher value goods, services and technology – because of the rise in Chinese wages, an aging population, competition from other rising manufacturing powers and environmental concerns.

This involves the development of peoples' skills in industries such as robotics, aviation, computing and new energy vehicles among others. China also laid out the idea of being 70% "self-sufficient" regarding basic materials and components.

This understandably attracted the ire of many countries internationally, most of all the US – the US' Council of Foreign Relations states that it is a "real existential threat to U.S. technological leadership".

Made-in-China 2025 is inevitable to begin with; with or without US technological leadership, China would have experienced the conditions that led her to initiate Made-in-China 2025 anyway – rising wages, competition and environmental concerns, to name a few.

The US has rushed to protect her technological leadership and has grown very antagonistic towards China, imposing copious tariffs and starting the US-China trade war to if nothing else, delay Made-in-China 2025 and the US' eventual loss of technological leadership.

It can thus be seen the extent to which this domestic development affected international relations, and US-China relations.

Through these two policies, which occurred in very different time periods and conditions, it can be seen that China's domestic policy changes have affected US-China relations to an astronomical extent.

### **A Clash in Domestic Policy**

As the American professor R N Cooper once asserted, "Trade policy is foreign policy." Since domestic trade policy reflects countries' interests, it can be concluded that confrontation between the US and China is caused by the want to protect their domestic interests, with China wishing to improve its economy and the US wishing to protect its economy. As China's meteoric rise represents a threat to US hegemony, the US has responded by imposing protectionist measures against China, showing how domestic interests can impact Sino-American diplomatic relations.

This shows how domestic policies in the present day, as influenced by historical decisions and experiences by the two countries, conflicted with each other, resulting in confrontations between the two countries and a deterioration in diplomatic relations.

As such, domestic and internal policies of both the US and China have affected their diplomatic relations to a huge extent.

## **4.2 Geopolitical Standing**

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**"To what extent did the geopolitical standing of the US and China affect diplomatic relations between the two countries?"**

While the US is a deeply entrenched figure in the liberal international order it established, China is seeking to change that, threatening the US' position with its political and economic rise, through developments such as One-Belt-One-Road, building Chinese dominance in the Indo-Pacific region. According to a speech made by George Yeo, "A rising power challenging an incumbent one builds fear." This is certainly the case when examining the relationship between the United States and China, which has retained a unilateral, post-Cold War attitude towards the world and remains ever ready to defend its economic-based hegemony at all costs.

When we apply the three concepts proposed by power transition theory, we can see a clear split between the two global giants that drives them to clash. The United States and China, being the two largest economies in the world, have a similar power level. However, the difference in the levels of satisfaction and hierarchy between the two countries are drastically different. In terms of geopolitical standing, the US has been portrayed as the top dog of the liberal international economic order due to its place as the founder of the post-World War II system, while China is regarded as a rising economic power that is quickly catching up to the US' economic position. Furthermore, when examining hierarchy in a geopolitical context, the US is often regarded as a Western, capitalist power, while China is portrayed as an Eastern, socialist power, making them polar opposites of each other. As a result, it can be said that the US is satisfied with its position in the international community, while China is considerably less satisfied. Hence, we can make the conclusion that China is attempting to overtake the US due to its desire to gain satisfaction by increasing its geopolitical standing or hierarchy, while the US wants to hold on to this place in the hierarchy.

This fundamental difference in hierarchy and satisfaction explains why China's rise is seen by the US as a threat to its political and economic hegemony, resulting in the US increasing its number of protectionist measures and causing a clash between the two titans. Hence, differences in satisfaction and hierarchy play a key role in the deterioration of diplomatic relations as the US and China's goals conflict again.

### 4.3 Singapore's Role

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**What is Singapore's role in the ongoing US-China conflict and the larger US-China narrative?**

## **Singapore's Historical Role**

Singapore and the US have had a long history of diplomatic relations, dating back to the independence of Singapore in 1965. Singapore's support for regional cooperation harmonizes with U.S. policy in the region, forming a solid basis for amicable relations between the two countries ("US Relations with Singapore", 2009). As a result of Singapore's heavy dependence on international trade, the island nation is a firm supporter of both US international trade policy and the US security role in Asia. The US - Singapore Free Trade Agreement (FTA) went into effect in January 2004 (Chanlett-Avery, 2008). In the agreement, the two parties agreed to the establishment of a free trade area according national treatment to the goods of the other party in accordance with the GATT and progressively eliminate custom duties on the other party's originating goods ("United States-Singapore Free Trade Agreement", 2004). The United States and Singapore have also cooperated on a number of regional defence matters through the signing of the Strategic Framework Agreement for a Closer Cooperation Partnership in Defense and Security in 2005, serving as a formal framework bringing together existing and future areas of bilateral defense and security cooperation. Singapore has helped to facilitate the United States' multilateral engagement with the region through promoting U.S. ties with the Association of Southeast Asian Nations (ASEAN) (Kuok, 2016).

With China, Singapore has been an influence on China's economic transition; Singapore distinguished herself from other countries in the region when Deng Xiaoping visited various countries in Southeast-Asia in 1978. Singapore was "a garden city worth studying for its greening, public housing and tourism", while Deng had previously thought that the region was backward (Fook, 2018). Deng, impressed by Singapore, went so far as to mention her in his 1992 Nanxun speech which sought to kickstart economic reforms, stating that "Singapore enjoys good social order and is well managed. We should tap on their experience and learn how to manage better than them.". Large projects that followed such as the Suzhou Industrial Park (1990s) and Sino-Singapore Tianjin Eco-city (2008) show the increasing extent of economic collaboration, with rising Singaporean investment in China – up to US\$121 billion by 2015 (Fook, 2018). More recently, Singapore's involvement in China's One-Belt-One-Road initiative (not as a recipient but more as a helper) shows the nature of and closeness of the Singapore-China relationship. Singapore's historical relationship with China can thus be seen to be one where Singapore has been contributing to China's economy and Singapore has been able to spread her companies and investments to China.

## **Singapore's Dependency on International Trade**

Singapore's own ministers have acknowledged Singapore's dependence on international trade – in light of the US-China trade war, the Ministry of Trade and Industry narrowed its full-year growth forecast to between 1.5 per cent and 2.5 per cent, down from 1.5 per cent to 3.5 per cent (Cheong, 2019). The Institute of Chartered Accountants in England and Wales similarly speculated that Singapore will be one of the hardest-hit in Southeast-Asia by the trade war, due to her dependence on trade (Ng, 2019).

While our country has prepared for this, with Deputy Prime Minister Heng Swee Keat stating in a speech on May 28 2019 that “Singapore is prepared for the negative consequences of the US-China trade war, but the country must step up its transformation of the economy if it is to deal with the fallout” (Cheong, 2019), it only presents a nationalist viewpoint towards an international issue. More can be done in order to ensure continued global trade and secure Singapore's place in the international community. During a Centennial Insights talk on 2 August 2019, Chee Hong Tat, a Singaporean politician, stated, “If another country is already adding the same value we add, we are of no use to China or the United States.”

## **Singapore's New Role**

Therefore, having studied Singapore's historical relationships and roles with the US and China, and considering Singapore's dependence on trade, we feel that Singapore must step up and take a more proactive role within the international community, calling upon her ASEAN and Asian allies to uphold the principles of the multilateral trading system.

With Japan and South Korea embroiled in a trade war of their own, Singapore is one of the only major Asian economies capable of, at least attempting to, make a difference in the current geopolitical situation.

Recognising that the US-China trade war is not an issue that could be resolved immediately, and that both the Singapore economy and the global economy were going to be affected negatively, Singapore must explore long-term solutions towards building trust between China and the United States, two extremely important trading partners integral to Singapore's survival as a country who currently regard each other with distrust and suspicion. If China and the

United States are going to tackle such mutual suspicions, they will need to improve cooperation, and demonstrate more understanding and respect for the other's goals. The US, for example, should respect the legitimate rights of China and other countries to access the high seas. China, for its part, may be obliged to reinterpret its use of its EEZs in accordance with the United Nations Convention on the Law of the Sea. If they can manage this, they will be able to guarantee genuinely open maritime access, something that is surely in everyone's interests (Shen, 2019).

Singapore, with its strong ties with both countries, can do more to bridge the gap between the two countries, bringing them together through joint conferences and treaties. As a trusted partner of both, Singapore has the capability to potentially allow both parties to see common issues in areas such as economics and defence from the other party's perspective, improving cooperation and mutual understanding between the two.

Regarding Singapore's own economic development, she can also accelerate her Smart Nation related initiatives and advertise them more to other countries, to further add to the value that Chee Hong Tat alludes to by being a technological hub and attracting foreign investment to prevent an economic recession in Singapore. While this does indeed not help the situation between the US and China much, it may, at least for the foreseeable future, cushion the impacts of the trade war on Singapore.

## **Chapter 5.**

### Conclusion

Due to the changing political climate with the US and China growing increasingly hostile and confrontational to each other, Singapore will do well to play a new role as a diffuser of tensions between the two giants as the US struggles to keep her position as hegemon and China's economy and regional influence skyrocket; this can be accomplished by bringing the two together with treaties and joint conferences, and discouraging confrontation – both economic and military. In this way, Singapore presents value to both the US and China, helping her stay relevant and hopefully in the long term, nudging the two giants to restore order.

For protection of her own economy, Singapore can accelerate her various Smart Nation-related initiatives, to add more value to herself as a technological hub and attracting investments from around the region, to prevent an economic recession.

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