

China's Rise: A New Cold War in the Making?

A Book Review of "The Fire of the Dragon: China's New Cold War" by Ian Williams

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Few trade books in the world today cover the length and breadth of China's rise, its foreign policy ambitions, its domestic challenges, and its political priorities as does Ian Williams' 2022 book, 'The Fire of the Dragon'.

Shortlisted for the 2023 Orwell Prize, a prestigious award for political writing in the UK, the book presents detailed accounts of many key issues plaguing the Indo-Pacific regional and global orders today – from the security concerns surrounding Taiwan and the South China Sea, to China's massive carbon emissions, and to the threat of North Korean aggression – all through the lens of Williams' visits and conversations as a long-time journalist and writer. Moreover, each chapter is seeped in historical narrative, especially the ones on Taiwan and Southeast Asia, and the writing style is such that there is a consistent back-and-forth between the contexts of the present and the past.

Williams interestingly describes Chinese activities today as a 'new Cold War'. He argues that the Chinese Communist Party (CCP) is waging a "peace that is no peace." Several other analysts would term such a state a "cold peace" – the non-existence of conflict, coupled with a prolonged state of anxiety, tension, and at the same time, hesitant cooperation.

Williams offers examples of why China is waging a 'new Cold War'. For instance, he contends that the movies China's propaganda machine releases are charged with a narrative similar to what the Soviet Union offered. Likewise, he compares Beijing's crushing of opposing voices and human rights (especially in Hong Kong and Xinjiang) as repressive policies akin to those of the Soviet Union. With examples such as these, he cautions Western governments against thinking about their relations with China as "strategic competition," and wake up to the fact that it is nothing short of Cold War.

But this analysis seems to overlook a few things – rather, the most fundamental of things – that made the Cold War what it was. For starters, the ideological rigidity of the Cold War is not the dominant factor straining US-China relations, even though there exists an ideological tinge to present-day competition. Moreover, the bloc-forming mentality of the Cold War is no longer in fashion. Rather, a geopolitical order with more fluidity is in the making – one where "middle powers" are

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emergent, and where there are interest-based alignments and umbrella coalitions of various permutations and combinations.

Most importantly, given that China today is much more integrated into the world economy than the USSR ever was, the stakes are very different. This indicates that, unlike the USSR, China has more to lose from atomic warfighting or from invasions *a la* the Soviet invasion of Afghanistan. This is not to say that China has not engaged in neo-colonialism or ideological propaganda to influence smaller states. Rather, it is to make the case that the checks and balances thereto have become more dynamic and prevalent.

Broadly, as Williams describes, China's 'new Cold War' entails the usurpation of power in lands and seas both near home and far away, a protectionist domestic policy and overbearing foreign economic policy, a successful propaganda machine that justifies the Chinese cause. In a way, this describes the complexity of factors shaping Chinese decision-making today, without due consideration of which its goals to shape a global order that suits its interests will remain unfulfilled.

Taking the cases of Taiwan and South/Southeast Asia, Williams argues that China has used anxiety about upsetting a giant neighbour, to its advantage. However, the consequences have played out differently across the board. With Taiwan, for example, and more specifically with the islands of Matsu, Kinmen, and Penghu, we have witnessed a brutal history of conflict with the mainland turn into resistance and self-confidence. This is evident in the current Democratic Progressive Party dispensation's increasing proximity with the US, the Taiwanese people's resentment towards the ideas of the '1992 consensus' and the 'One China Principle', as well as the overall expanding sentiment of a 'Taiwanese' identity as distinct from the 'Han Chinese' one.

On the other hand, in South and Southeast Asia, some states have reacted with fear, and others have bandwagoned to maximise gains. The Philippines under former President Rodrigo Duterte is an example of the former. His zeal to appease Beijing led him to renounce the 2016 arbitral ruling that demolished the latter's 9-Dash line claims. (An action that created such resentment within the political corridors of Manila that, if Williams wrote his book today, he would find the sentiment there completely the opposite from what it was under Duterte.)

Cambodia and Myanmar are examples of the latter, as both have been highly dependent on Chinese imports, and are now hosting potential Chinese military bases on their territories. Their interests in doing so pertain not just to economic benefits, but also to extracting guarantees from China vis-a-vis regime security (for Hun Sen in Cambodia, and the junta in Myanmar).

Williams' explanations of China's "resource hunger" make for a fascinating read. As he explores the realities of China's stakes in global rare earth, fishing, uranium mining (in Greenland), and lithium-ion batteries, two sombre realities come to light.

First, through a combination of policies such as large-scale market dumping and purchasing stake in other nations' mines and oil fields, China has created extensive asymmetry in trade and supply chain distribution, and has positioned itself as a vital partner. Especially today, when solar photovoltaic cells and EV batteries have become a necessity in the transition to renewable sources of

energy, China continues to dominate 70-100% of each pillar of their supply chains, thereby making it an unignorable partner in the fight against climate change. And none of this dominance necessarily means that China is itself a frontrunner in the fight. In fact, while it is true that China is the biggest market for Solar PV Cells or EV batteries, it continues to create massive amounts of carbon emissions. As Williams quotes from Global Times in the book, “China has already announced its own climate road map and will stick to its own pace.”

The second reality is that in many of these areas, the West shot itself in the foot – from Donald Trump making a proposal to buy Greenland, which garnered massive condemnation from locals and policymakers alike, to the US and Europe blaming China’s ‘overcapacity’ for the omnipresence of Chinese climate-friendly products. Simply put, in cases such as these, the West simply couldn’t hack it, and has hence woken up to a sombre reality of its own.

Where the West is really upping the ante, though, is critical advanced technologies. In the past five years, the COVID-19 Pandemic has, among other things, jolted the West awake to an overdependence on East Asia for manufacturing of semiconductors. As the Biden administration has identified chip shortage to be a national security issue, it has encouraged US firms to increasingly look inwards. Leveraging its position as Taiwan Semiconductor Manufacturing Corporation (TSMC)’s largest market, the US has urged Taiwan to invest in US-based fabrication facilities, all the while coaxing firms like Intel and Qualcomm to give up on one of their own largest markets – China. Beijing has hence amped up the rhetoric on turning China into a ‘science and technology’ powerhouse, but the “chip-gap,” as Williams rightly argues in the book, is a fast-moving target more than a decade away for the country.

The implications for India here are quite dynamic. On the one hand, it is attempting to leverage this churn in technology geopolitics to become a vital component of semiconductor supply chains. It has won the support of some critical manufacturers, such as Apple, which has opened up a giant iPhone production facility in India, and Taiwan’s Powerchip Semiconductor Manufacturing Corporation, which has recently made a deal with Tata to produce legacy chips in Gujarat.

On the other hand, India finds itself in an economic battle, spilling over from military confrontation with China, and the million-dollar dilemma is whether India can really surpass China to become a technological exporter without first being a net importer from it? And how does this impact China’s economic relations with one of its most tense and powerful neighbours? As India arrives onto the scene as an alternative production-house to China for countries debating ‘de-risking’, Williams leaves these questions untouched.

He does, however, go into extensive detail on the India-China border issue, China’s cyber operations in India, its under-the-table support to insurgency movements in East/Northeast India, and its overall influence within the political corridors of India’s neighbours. It should be no surprise that China’s apparent ‘new Cold War’ has direct implications for India, given the former’s belligerent approach to territorial control. Williams, like many scholars discussing the Galwan Valley clashes of 2020, speculates on the potential reasons why the People’s Liberation Army chose to move at a time

when India-China relations were relatively stable, and Prime Minister Narendra Modi and President Xi Jinping had met on cordial terms twice, in 2018 and 2019.

There are no new answers, but the connection he makes between the clashes and the power outage in Mumbai four months later is interesting. He documents Mumbai local officials' statements surrounding a potential malware leading to a disastrous outage in the city, and its linkage with a Chengdu-based threat actor. As Williams argues elsewhere in the book, China's grey-zone toolkit is a part and parcel of its 'new Cold War'. From India's perspective, cyber and information ops emanating from China are a challenge as persistent as the conflicts on the border, and the only missing pieces are visibility and attribution.

Overall, the book's extensive coverage of various issues pertaining to and emanating from China's rise is both its strength and weakness. On the one hand, the in-depth descriptions of how China mobilised Global Times, Xinhua and CGTN to build propaganda around human rights in Xinjiang while critiquing the US for its discriminatory policies against Asians during COVID-19, are refreshing. On the other hand, the clubbing together of major Chinese policy endeavours vis-a-vis rare earths, the envisioned 'Polar Silk Road' through the Arctic, and infrastructural investments under the Belt and Road Initiative (BRI), make for a cluttered read. Nonetheless, the book proves to be a decadal resource for anyone willing to understand China's "rise," as it were, and how its decision-making both at home and abroad will shape geopolitics today and for the years to come.

"The Fire of the Dragon: China's New Cold War" by Ian Williams, Birlinn Ltd., August 2022, Pages 423. £12.99 (Paperback).