



## Figuring out the new MediShield Life

**C**OST emerged as a key issue at the MediShield Life committee's first feedback session with the public on Wednesday. This is predictable for a number of reasons. First, people worry about ever-rising medical bills as salaries, facilities, procedures, equipment and drugs exert a constant upward pressure on costs. Then, there is the perception that premiums are also influenced by insurers' expectations of certain margins of profit; and terms are framed to reduce their risk. How will policyholders be affected?

Worryingly, concerns over cost might sideline all other matters because of an insufficient grasp of what universal health coverage entails. Hence, it will be useful if committee

chairman Bobby Chin can galvanise insurers to be more transparent about the calculations that determine premiums. The industry should also seize this opportunity to help educate the public about the economics of health care, as a broad spectrum of Singaporeans worry not just about premium costs but also the portion of the bill not covered by insurance, as a result of various exclusions.

Queries about pre-funding and cross-subsidies have been raised by people in the media. But there's much more, of course, to health-care financing. Educational efforts to separate myths from facts and to clarify the operation of co-payments, deductibles, co-insurance and such will help to

make the forthcoming forums more focused and constructive. When the common aspiration is to extend health care to all Singaporeans without exception, it will be helpful if the sessions can bring to the surface the core principles of universal health coverage that matter to most people.

Such thinking would be in line with public sensibilities that health care should not be denied to anyone, including the least well-off members of society, even if legitimate differences might arise over the best means to secure that end. If the state picks up the tab for everyone equally, the cost burden on taxpayers would be intolerable. Thus, it is sound practice for state support to be devoted largely to those

who cannot afford to pay. For others, it makes sense to pool risks and share costs equitably across the population.

Healthy lifestyles, always a matter of necessity, will gain urgency under any scheme that reflects a collective responsibility for health-care costs. Suggestions have touched on the possibility of using carrots such as no-claim discounts and tax reliefs to incentivise good health habits and encourage healthy lifestyles. These are worth considering.

If principles are aired thoroughly, the public will be in a better position to evaluate the specific proposals of insurers on how integrated medical insurance plans are to be affected by the new scheme.

## Air defence zone a 'lose-lose' for Beijing?

By RICHARD A. BITZINGER  
FOR THE STRAITS TIMES

**C**HINA'S creation of a new Air Defence Identification Zone (ADIZ) in the East China Sea is quickly turning out to be a no-win situation for Beijing.

On the one hand, it has become a diplomatic disaster for China. On the other, it could either provoke a military crisis – the blame for which would lie entirely with Beijing – or else turn out to be a toothless gesture highlighting the country's feebleness as a regional great power.

China announced its new East China Sea ADIZ on Nov 23. It extends out more than 500km from the country's coastline and cuts a wide swathe through the East China Sea. China's ADIZ overlaps with similar air defence identification zones established by Japan, South Korea and Taiwan.

In particular, it includes the disputed islets – known by Japan as the Senkaku Islands, and by China as the Diaoyu – which are claimed by both Tokyo and Beijing.

It is critical to note that an ADIZ is not a territorial claim. National airspace extends out only 12 nautical miles over open water, the same as a country's territorial waters. ADIZs are intended to provide a country with early notification, location and control of foreign civilian aircraft entering national airspace.

ADIZs are also not new; more than 20 countries have created such zones around them. The United States established one of the first such zones in the early 1950s, and in the aftermath of the Sept

11, 2001 terror attacks, it also created a special ADIZ around Washington, DC. Japan also established a national ADIZ – including around the Senkaku/Diaoyu Islands – back in the late 1960s.

Moreover, most ADIZs are unilaterally declared. They have no basis in international law, but are usually adhered to by other nations.

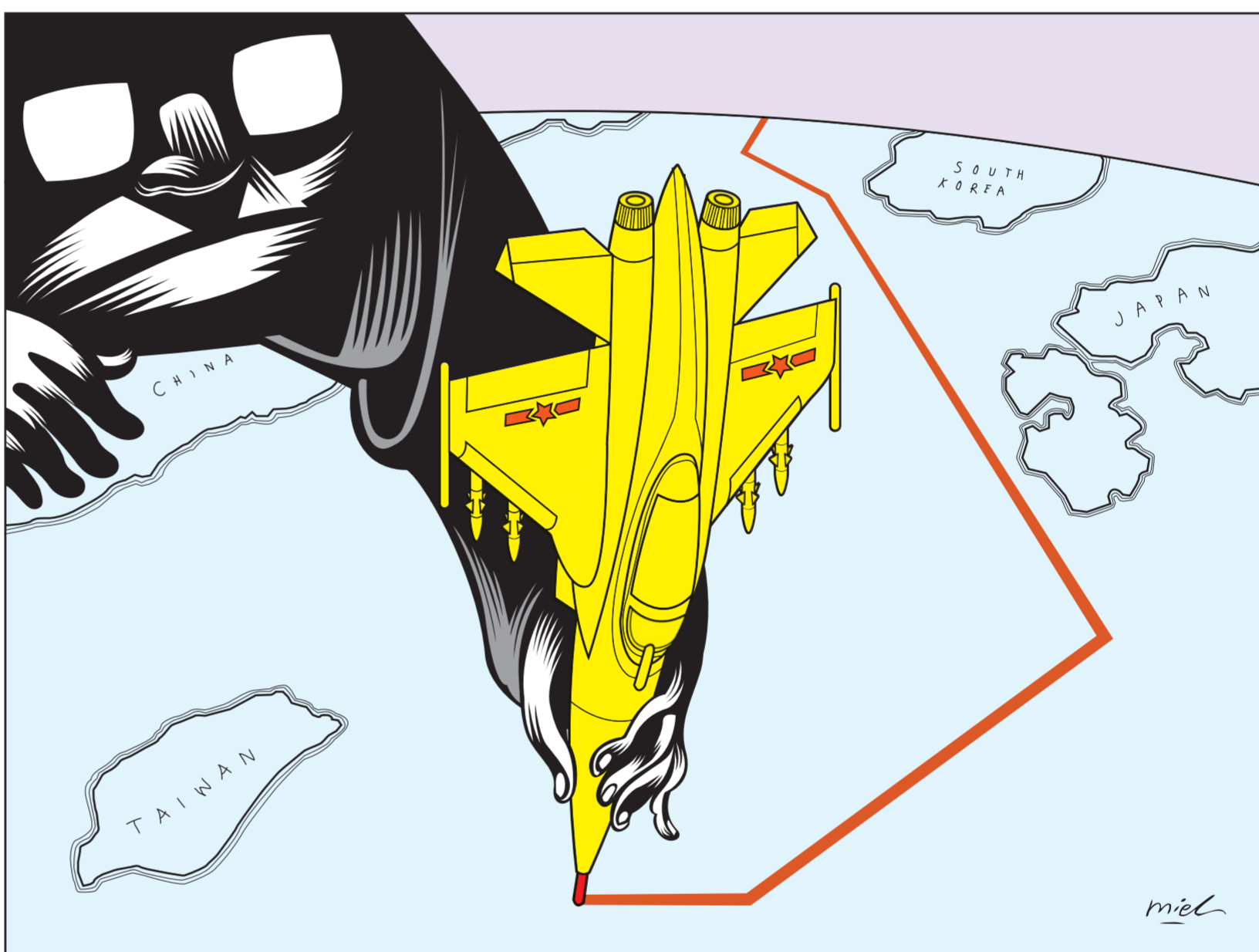
Nevertheless, China's new ADIZ seems purposely constructed so as to be contentious. In the first place, it overlaps with similar air defence identification zones established by three Asian neighbours, as well as the contested Senkaku/Diaoyu Islands. This appears to be almost a deliberately provocative (and unnecessary) move.

Just as controversial, however, is that it requires all civilian aircraft entering the ADIZ to identify themselves, even if they are only passing through the zone and have no intention of entering Chinese national airspace; no other ADIZ requires this kind of notification.

Finally, China demands that all non-commercial flights – and therefore military aircraft – entering the ADIZ also identify themselves, or else face "defensive emergency measures" by Chinese armed forces.

Given these constructs, it was little wonder that the establishment of this ADIZ has been so unilaterally condemned.

Japan and South Korea quickly denounced the new move. Tokyo has termed the ADIZ "totally unacceptable" while the South Korean Defence Ministry declared it would not notify China of flights



taking place where the Korean and Chinese ADIZs overlap.

For its part, the US has criticised the creation of the new zone both as destabilising to the fragile status quo in the East China Sea and as an affront to freedom of navigation in international airspace.

US Secretary of State John Kerry declared that "freedom of overflight and other international lawful uses of sea and airspace are essential to prosperity, stability and security in the Pacific. We don't support efforts by any state to apply its ADIZ procedures to foreign aircraft not intending to enter its national airspace."

Overall, China's efforts to use the new East China Sea ADIZ as a means to strengthen its claims in the region have backfired – in some cases, quite embarrassingly.

To underscore the US' refusal to accept China's new ADIZ, it sent two unarmed B-52 bombers

into the zone on Tuesday without pre-notification. Nothing happened.

The takeaway here, therefore, is that China may be unwilling or unable to enforce its ADIZ with military might.

Moreover, China's actions have had the unintended consequences of uniting its neighbours in opposition to the zone.

Seoul and Tokyo, for example, are in the rare situation of both criticising Beijing over establishing the ADIZ. Sino-Korean ties, which have traditionally been quite good, are particularly hard-hit.

China's East China Sea ADIZ could have wider implications for the Asia-Pacific region, especially South-east Asia.

Tensions have been riding high in the South China Sea for several years now, and recent efforts by Beijing – including offers of billions of dollars in new business

deals – to assuage concerns about Chinese "creeping assertiveness" in the region could all be undone by an aggressive enforcement of the new ADIZ.

These efforts look even less convincing, given that China has declared that it might create further identification zones in the future, leaving open the possibility of a Chinese ADIZ in the South China Sea.

One beneficiary of these developments could be the US. America's "rebalancing" back to Asia has hit some bumps since its promulgation nearly three years ago. Growing Chinese aggression in the region – or even just the appearance of it – could greatly aid Washington in revitalising this pivot and in bringing new regional partners into the effort.

On the whole, therefore, China's effort to create a new ADIZ in the East China Sea has backfired on it – up to now.

An even more perilous outcome could result if it decides to aggressively enforce this zone. Increasingly, Chinese foreign policy has been driven by a "populist nationalism" fuelled by an "official narrative of humiliation" (to quote a recent BBC report).

This sense of "victimhood" could spur Beijing into becoming ever more intransigent in pressing its territorial claims in the adjoining seas, up to and including military action.

Ultimately, the only thing worse – not just for China but for the entire Asia-Pacific region – than not enforcing its new ADIZ would be if Beijing decides to use brute force to put it into effect.

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Tensions are high and lives are at stake in the East China Sea, says this excerpt from an analysis by strategic security intelligence service Soufan Group.

## A dangerous bit of airspace

**A**MONG the many other diplomatic and military concerns caused by its establishment, the new East China Sea Air Defence Identification Zone (ADIZ) is now rendered a dangerous bit of airspace.

On Tuesday, two US Air Force B-52 bombers from Guam flew through the ADIZ, on a training sortie the United States said had been planned for a year. The mission was flown without seeking prior permission from China. US defence officials say the bombers were not armed and Chinese fighters did not attempt to intercept them.

Aside from the non-lethal out-

come of this perfectly legal US excursion into the East China Sea, the stage is all but set for problems in the near term. China will be forced to change the zone, assume an aggressive interdiction role or take defensive action over the islands.

There is also the possibility of a scenario reminiscent of the infamous Hainan Island Incident in 2001, during which a US Navy EP-3E signals intelligence aircraft and a People's Liberation Army

Navy J-8II fighter collided in mid-air and caused a tense international dispute.

At the time of the incident, the EP-3 was operating nearly 70 miles (113km) offshore of Hainan Island and almost within equidistance of another island which was home to a Chinese military base.

Before the incident was resolved, one Chinese fighter pilot was dead, the EP-3 was forced to land in Chinese territory and 24 American crew members were de-

tained and interrogated by Chinese officials.

As with the current dispute in the East China Sea, the indicators for trouble over Hainan seemed glaringly obvious and should have been easily predicted by the parties involved.

The same considerations that made trouble inevitable then exist now. Tensions are high, the sea and airspace confined, and international honour – and potentially, human life –

are again at stake.

### FORECAST

■ With China's new ADIZ there is significant likelihood of near misses between opposing air forces and some chance of escalation of force.

■ The upcoming Japanese-American naval exercise carries symbolic value for both nations. Any attempt by the Chinese navy or air force to harass could rapidly escalate – though any such escalation

on the seas would more likely result in collisions and near misses rather than naval gunfire.

■ Japanese Prime Minister Shinzo Abe will not relinquish his nation's claims to the Senkaku Islands, and to the extent he is supported by South Korea and, particularly, the US, will staunchly defend Japan's right to navigate international sea and airspace in the disputed areas of the East China Sea.

■ Defence spending in Japan has seen its largest increase in 22 years, and the upward trend is likely to continue throughout Mr Abe's term of office.

The full version of this analysis can be found on <http://soufangroup.com>