

ISSUES & INSIGHTS
VOL 23, SR 2

FEBRUARY 2023

PACIFIC  FORUM
INTERNATIONAL

The World After Taiwan's Fall

EDITED BY
DAVID SANTORO
RALPH COSSA





Founded in 1975, the Pacific Forum is an independent, nonpartisan, and non-profit foreign policy research institute based in Honolulu, in the U.S. state of Hawaii. The Forum's focus areas encompass current and emerging political, security, economic and business issues and work to help stimulate cooperative policies in the Indo-Pacific through research, analyses and dialogues undertaken with the region's leaders in academia, public policy, military and industry. The Forum collaborates with a network of more than 30 research institutes around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and various publics throughout the region. We regularly cosponsor conferences with institutes throughout Asia to facilitate nongovernmental institution building as well as to foster cross-fertilization of ideas.

A Board of Directors guides the Pacific Forum's work. The Forum is funded by grants from foundations, corporations, individuals, and governments. The Forum's studies are objective and nonpartisan and it does not engage in classified or proprietary work.

Support Pacific Forum

Pacific Forum is a private, independent, nonpartisan, and non-profit, 501(c)(3) organization. Make a tax-deductible charitable contribution at www.pacforum.org/support-us.

To support a specific program, please contact our Director of Development at: brooke@pacforum.org.

PACIFIC FORUM STAFF

President & CEO
DAVID SANTORO, Ph.D.

Vice President & Director of Research
CRYSTAL PRYOR, Ph.D.

Senior Director of Indo-Pacific Program
JOHN HEMMINGS, Ph.D.

Director for Regional Affairs
ROB YORK

President Emeritus & WSD-Handa Chair in Peace Studies
RALPH COSSA

Director for Maritime Security
JEFFREY ORDANIEL, Ph.D.

Director of Cybersecurity and Critical Technologies
MARK MANANTAN

Director for Women, Peace and Security Programs and Senior Fellow
MARYRUTH BELSEY PRIEBE

Director of Development
BROOKE MIZUNO

Director of Young Leaders Program
ADAM MORROW

Senior Program Manager
JESSLYN CHEONG

Program Managers
AUDREY HAPP
CAROL LI
VALERIA VILLASENOR-BRUYERE

Development Manager
MEGAN TAENAKA

Executive Assistant
GEORGETTE ALMEIDA

Chief Financial Officer and Finance Manager
DENISE EILAND



The World After Taiwan's Fall

Edited By
David Santoro
Ralph Cossa

A large, light gray stylized sunburst or compass rose graphic is positioned on the left side of the cover, partially overlapping the text.

ISSUES & INSIGHTS

EDITED VOLUME

VOL. 23, SR 2 | JANUARY 2023

Issues & Insights

Issues & Insights, Pacific Forum's flagship peer review and open access publication, is published in the forms of working papers, edited volumes, and conference/workshop reports. Authored by academics, policy analysts, and subject-matter experts from around the region and beyond, *Issues & Insights* provides timely, contextual, and innovative policy research and analyses on pressing political, security, and economic developments in the Indo-Pacific.

For submission guidelines and to subscribe, email:
pacnet@pacforum.org

For back issues, visit www.pacforum.org/programs/issues-insights.

Disclaimer

The statements made and views expressed are solely the responsibility of the authors and do not necessarily reflect the views of their respective organizations and affiliations. Pacific Forum's publications do not necessarily reflect the opinions of its staff, donors, and sponsors.

Limited print and electronic distribution rights

This representation of Pacific Forum intellectual property is provided for noncommercial use only. Unauthorized posting of this publication online is prohibited. Permission is given to duplicate this document for personal use only, as long as it is unaltered and complete. Permission is required from Pacific Forum to reproduce, or reuse in another form, any of its publications for commercial use.

© 2023 Pacific Forum International. All rights reserved.

For information on reprint and linking permissions, please email pacnet@pacforum.org

TABLE OF CONTENTS

INTRODUCTION	1
1 IF TAIWAN FALLS: FUTURE SCENARIOS AND IMPLICATIONS FOR THE UNITED STATES <i>Ian Easton</i>	7
2 CHINESE VICTORY OVER TAIWAN – AN AUSTRALIAN PERSPECTIVE <i>Malcolm Davis</i>	19
3 CHINA’S TAKEOVER OF TAIWAN WOULD HAVE A NEGATIVE IMPACT ON JAPAN <i>Matake Kamiya</i>	29
4 IF TAIWAN FALLS TO CHINA: IMPLICAITIONS FOR THE KOREAN PENINSULA <i>Duyeon Kim</i>	41
5 THE IMPLICATIONS FOR INDIA OF A SUCCESSFUL CHINESE INVASION OF TAIWAN <i>Jabin T. Jacob</i>	51
6 THE CONSEQUENCES FOR EUROPE OF A SUCCESSFUL CHINESE INVASION OF TAIWAN <i>Bruno Tertrais</i>	61
CONCLUSIONS	69
ABOUT THE AUTHORS	75

Introduction

David Santoro & Ralph Cossa

Let us start with our bottom line: a failure of the United States to come to Taiwan's aid—politically, economically, and militarily—would devastate the United States' credibility and defense commitments to its allies and partners, not just in Asia, but globally. If the United States tries but fails to prevent a Chinese takeover of Taiwan, the impact could be equally devastating unless there is a concentrated, coordinated U.S. attempt with likeminded allies and partners to halt further Chinese aggression and eventually roll back Beijing's ill-gotten gains.

This is not a hypothetical assessment. Taiwan has been increasingly under the threat of a military takeover by the People's Republic of China (PRC) and, even today, is under attack politically, economically, psychologically, and through so-called "gray zone" military actions short of actual combat. The U.S. government, U.S. allies, and others have begun to pay attention to this problem, yet to this day, they have not sufficiently appreciated the strategic implications that such a takeover would generate. To address this problem, the Pacific Forum has conducted a multi-authored study to raise awareness in Washington, key allied capitals, and beyond about the consequences of a Chinese victory in a war over Taiwan and, more importantly, to drive them to take appropriate action to prevent it.

The study, which provides six national perspectives on this question (a U.S., Australian, Japanese, Korean, Indian, and European perspective) and fed its findings and recommendations into the second round of the DTRA SI-STT-sponsored (and Pacific Forum-run) Track 2 "U.S.-Taiwan Deterrence and Defense Dialogue,"¹ outlines these strategic implications in two alternative scenarios. In the first scenario, China attacks Taiwan and it falls with no outside assistance from the United States or others. In the other scenario, Taiwan falls to China despite outside assistance (i.e., "a too little, too late" scenario).

Findings Summary

The study's main finding is that Taiwan's fall would have devastating consequences for the United States and many countries in the region and beyond. Therefore, the United States, its allies, and others

need to take major action—rapidly—to prevent such a development.

Regardless of how it happens (without or despite U.S./allied intervention), Taiwan's fall to the PRC would be earth shattering. The PRC could eclipse U.S. power and influence in the region once and for all. Taiwan's fall could lead to the advent of a Pax Sinica where Beijing and its allies would pursue their interests much more aggressively and with complete impunity. Nuclear proliferation in several parts of Asia could also be the net result of Taiwan's fall, leading to much more dangerous regional and international security environments.

It follows from these findings that the United States should lead an effort to considerably strengthen collective deterrence and defense in the Indo-Pacific; this is particularly important in the aftermath of the Russian invasion of Ukraine, which has shown territory takeovers still happen in the 21st century.

The United States should also give serious consideration to establishing region-wide nuclear sharing arrangements; at a minimum, it should jumpstart research to examine the benefits, costs, and risks that such arrangements would bring to the Indo-Pacific security architecture, as well as assess the opportunities and challenges that such a development would present.

Methodology

When it comes to the Taiwan question, the U.S. national security community has focused on planning and exercising should a war break out, with the goal of fine-tuning U.S. actions so that Washington can fight more effectively and win. This is essential work, and it should continue, especially given some recent efforts that have suggested that the United States could struggle to prevail and, in some circumstances, even lose against the PRC in a confrontation over Taiwan.²

The analytical community has done little to reflect on what the Indo-Pacific and the world would look like in the event the PRC wins a war over Taiwan. Yet this, too, is a crucial exercise because the implications for the United States, its allies and partners, and many

¹ Ralph Cossa, "US-Taiwan Deterrence and Defense Dialogue – Responding to Increased Chinese Aggressiveness," *Issues & Insights*, vol. 22, CR2, Dec. 2022, https://pacforum.org/wp-content/uploads/2022/12/IssuesandInsights_Vol22_CR2.pdf.

²See, for instance, Stacie Pettyjohn, Becca Wasser, and Chris Dougherty, *Dangerous Straits: Wargaming a Future Conflict over Taiwan* (Washington, DC: CNAS, June 2022).

others would likely be far-reaching and deeply negative, perhaps even catastrophic.

The best way to inject a sense of urgency in Washington, allied capitals, and beyond about the consequences of a Chinese victory in a war over Taiwan, then, is to “run” this exercise or, rather, play it out. Plainly, Washington must imagine a future with Taiwan’s fall to the PRC as its starting point.

During the inaugural Track 2 “U.S.-Taiwan Deterrence and Defense Dialogue” in 2021, a former senior U.S. government official suggested a tabletop exercise based on this premise as a way of raising awareness of this problem and triggering more consequential and faster action to address it.³ As the dialogue report noted in favor of running that exercise, “it is not sufficient to plan and exercise to win the war; also critical is to have a clear idea of why it must not be lost.”⁴ Yet while Taiwan colleagues understood and applauded the intent, they worried about the impact on morale if the people of Taiwan were aware the United States was conducting such an exercise. They also worried about a potential Chinese disinformation campaign that could undermine the exercise’s intent. Conducting a study on this question is less sensitive, while still providing the necessary lessons and impact.

This is the purpose of this study—the “what.” To this end, the Pacific Forum has proceeded with the following methodology—the “how.” It has commissioned six papers, each providing a “national perspective” about the implications of Taiwan’s fall to the PRC: one each from the United States (Ian Easton), Australia (Malcolm Davis), India (Jabin Jacob), Japan (Matake Kamiya), the Republic of Korea (Duyeon Kim), and Europe (Bruno Tertrais). Each national perspective has reflected on the implications of such a development for the country in question and its national security strategy, its relationship with the United States (and in the case of the United States, its relationships with its allies and others), and broader regional and global security and stability.

The paper authors are either former officials and/or scholars from that country, i.e., each paper is written by a professional deeply involved in, or close to,

national security issues. To ensure that the analysis is an accurate and relevant national account, each author has an excellent grasp of the broader dynamics and debates currently animating his or her country, as well as an understanding of emerging opportunities and challenges.

Moreover, because the implications of Taiwan’s fall would depend largely on *how* that fall happens, i.e., the context and circumstances, the authors were asked to discuss these implications in two alternative scenarios. The first envisions a future where Taiwan is attacked and falls to the PRC with no outside assistance from the United States or others provided to Taipei. By contrast, the second scenario imagines a future where Taiwan is attacked and falls to the PRC despite outside assistance from the United States and others provided to Taipei (“too little, too late”).

If the study’s objective is to create greater awareness, its goal, as mentioned earlier, is to urge the United States, its allies, and others to take much more radical, and much faster, action to prepare effectively and in a coordinated fashion for possible conflict across the Strait. It is also to signal more clearly to Beijing the consequences should an invasion be attempted. If such preparations do take place, the hope is that they will prevent war from breaking out in the first place, because they will have acted as a powerful deterrent.

Analysis

The PRC Threat to Taiwan

The military threat that the PRC poses to Taiwan is real and growing *very* fast. In recent years, the PRC has become increasingly assertive, even aggressive, vis-à-vis Taiwan, as it has improved its military capabilities considerably.⁵ Tensions have hit a new high over the Taiwan Strait. Beijing has been sending record numbers of warplanes into Taiwan’s air defense identification zone.⁶ Even more worryingly, in response to U.S. House of Representatives Speaker Nancy Pelosi’s visit to Taiwan in August 2022, the People’s Liberation Army (PLA) conducted unprecedented live-fire exercises in six zones surrounding the island’s busiest international waterways and aviation routes. After it ended the

³Ralph A. Cossa, “U.S.-Taiwan Deterrence and Defense Dialogue: Dealing with Increased Chinese Aggressiveness,” *Issues & Insights*, vol. 21, CR3, Oct. 2021. https://pacforum.org/wp-content/uploads/2021/10/issuesinsights_Vol21CR3-Ralph-Cossa-Oct-2021.pdf.

⁴Ibid, p. 2.

⁵For a backgrounder on China-Taiwan relations, see Lindsay Maizland, “Why China-Taiwan Relations Are So Tense,” Council on Foreign Relations, Aug. 3, 2022, <https://www.cfr.org/backgrounder/china-taiwan-relations-tension-us-policy-biden>.

⁶Adrian Ang U-Jin and Olli Pekka Suorsa, “The ‘New Normal’ in PLA Incursions Into Taiwan’s ADIZ,” *The Diplomat*, Sept. 27, 2022.

exercises, Beijing announced that it would launch “regular patrols” in the Taiwan Strait.⁷

This is troubling, especially given that Beijing has always made clear that reunification of Taiwan with the Chinese mainland, including by force if necessary, is—and always has been—its goal. As the PRC’s President Xi Jinping put it in a major speech delivered in July 2021 in celebration of the centennial of the Chinese Communist Party:

*Resolving the Taiwan question and realizing China’s complete reunification is a historic mission and an unshakable commitment of the Communist Party of China ... We must take resolute action to utterly defeat any attempt toward “Taiwan independence,” and work together to create a bright future for national rejuvenation.*⁸

In another speech two years earlier, Xi stressed that the PRC “reserves the option of taking all necessary measures” against what he named “outside forces” that interfere with peaceful reunification and Taiwanese separatist activities.⁹ Such rhetoric has been intensifying in recent months. In June 2022, for instance, the PRC’s Defense Minister Wei Fenghe warned the United States that “if anyone dares to split Taiwan from China, the Chinese army will definitely not hesitate to start a war no matter the cost.” He added that the PLA “would have no choice but to fight ... and crush any attempt of Taiwan independence, safeguarding national sovereignty and territorial integrity.”¹⁰

This is alarming given that the PRC has improved military capabilities to make good on its threat and, significantly, Chinese actions in Hong Kong and elsewhere leave little doubt that Xi Jinping is a risk-taker who is prepared to act.

U.S. and Regional Awareness of the PRC Threat to Taiwan

Of late, this problem has received increased attention in the United States. Washington has deepened its

ties with Taiwan, including by ramping up U.S. arms sales to the Taiwanese military and unveiling a new complex for its de facto embassy in Taipei, the American Institute in Taiwan.¹¹ U.S. officials have also begun interacting more systematically with their Taiwanese counterparts and U.S. lawmakers have proposed and passed legislation to boost U.S.-Taiwan relations generally. Moreover, the possibility of war with the PRC over Taiwan has become a much more regular topic of focus and attention for the U.S. military. U.S. President Biden has stated on multiple occasions that the United States would defend Taiwan in the event of a PRC invasion.¹²

Although much less pronounced, the Taiwan question, and specifically the risk of a war with the PRC, has featured more prominently in some regional security discussions. Some U.S. allies, especially Japan and Australia, have become much more publicly vocal about their support for Taiwan and about the odds of them playing a role in a war scenario in the context of their alliance relationship with the United States.¹³ Behind closed doors, other regional states have also begun discussing the Taiwan question much more often, especially in the context of Russia’s invasion of Ukraine; many have come to fear that the PRC could be tempted to emulate Russia and, sooner than anticipated, make good on its threat to invade and take over Taiwan.¹⁴ Increased PRC aggressiveness also raises the prospects of inadvertent conflict.

While this increased awareness and concern is encouraging, it is much too limited, and much too tentative in the face of the rapidly mounting Chinese threat, and the possibility that war might be just around the corner. Put bluntly, today neither the U.S. Government nor allied governments (let alone their respective publics) have sufficiently assessed the strategic implications of a successful PRC invasion of Taiwan. There is still a lack of urgency about the severity and gravity of this problem and the impact for them, the region, and the world, should the island of Taiwan fall into Chinese hands.

⁷Martin Quin Pollard and Yimou, “China military ‘completes tasks’ around Taiwan, plans regular patrols,” *Reuters*, Aug. 10, 2022.

⁸Xi Jinping, Speech at a Ceremony Marking the Centenary of the Communist Party of China, Beijing July 1, 2021, <https://news.cgtn.com/news/files/Speech-by-XiJinping-at-a-ceremony-marking-the-centenary-of-the-CPC.pdf>.

⁹“Highlights of Xi’s speech at gathering marking 40th anniversary of Message to Compatriots in Taiwan,” *Xinhua*, Jan. 2, 2019.

¹⁰See “U.S. blasts China’s ‘destabilizing’ military activity near Taiwan,” *France 24*, June 11, 2022, and “‘Smash to smithereens’: China threatens all-out war over Taiwan,” *Al-Jazeera*, June 10, 2022.

¹¹For some background, see the U.S. Department of State’s Factsheet on “U.S. Relations Within Taiwan” of May 28, 2022, <https://www.state.gov/u-s-relations-with-taiwan/>.

¹²For context on Joe Biden’s remarks, see David Sacks, “While Pledging to Defend Taiwan from China, Biden Shifted on Taiwan Independence. Here’s Why That Matters,” Council on Foreign Relations, Sept. 22, 2022, <https://www.cfr.org/blog/while-pledging-defend-taiwan-china-biden-shifted-taiwan-independence-heres-why-matters>.

¹³See, for instance, “U.S., Australia, Japan boost military ties,” *Taipei Times*, Oct. 3, 2022.

¹⁴Bonny Lin and John Culver, “China’s Taiwan Invasion Plans May Get Faster and Deadlier,” *Foreign Policy*, Apr. 19, 2022.

This was a key finding of the inaugural Track 2 “U.S.-Taiwan Deterrence and Defense Dialogue.” The dialogue found that both the United States and Taiwan dangerously lacked a sense of urgency. Further, while the rest of the region and beyond took this problem much more seriously than before, it was still treating it largely as an afterthought without a full realization of the strategic implications should the island fall into the PRC’s hands.¹⁵ This belief was further underscored during the second Track 2 U.S.-Taiwan Deterrence and Defense Dialogue held in Honolulu in the summer of 2022. A companion Technical Report and Executive Summary provides details.

What, then, have each of the six authors found to be the strategic implications of a PRC takeover of Taiwan, for their country, the region, and the world?

After a PRC Takeover of Taiwan: A U.S. Perspective

Ian Easton’s chapter on the U.S. perspective (Chapter 1) explained that Taiwan’s fall would be disastrous irrespective of how it happens because the Island is a leading democracy, has unique military and intelligence capabilities, plays a critical role in global high-tech supply chains, and benefits from a special geographic location in the heart of East Asia.

Easton further contended that the outcome would be especially dire if Taiwan falls without the United States and others trying (even if they failed) to defend it. The result would be Taiwan’s destruction as a nation, the breakdown of the U.S. alliance system, with some allies going nuclear and others falling into the PRC’s diplomatic orbit, plus increased PRC influence globally.

Taiwan’s fall after an intense battle between the United States, its allies, and the PRC would not be as bad: Taiwanese resistance fighters would likely fight on, and the United States might be in a position to build a collective deterrence and defense system to keep the PRC in check. Still, the regional and global security orders would be shuttered.

After a PRC Takeover of Taiwan: An Australian Perspective

Malcolm Davis’ chapter on the Australian perspective (Chapter 2) painted a similarly dark

picture. Regardless of how Taiwan’s fall happens, Davis explained that the PRC would be “much better placed to deny U.S. forward presence, to weaken American geopolitical influence in Asia, and expand Beijing’s domination in the region.” He added that a U.S. and allied failure to intervene would generate a “highly permissive environment for Beijing from which it could expand its influence and presence as well as coerce other opponents, notably Japan as well as Australia.”

Meanwhile, in the event of a failed U.S./allied intervention, Davis contended that the outcome would be a substantial U.S. defeat, which would reinforce the perception of U.S. decline, or a protracted high intensity war with the PRC, and neither outcome would be good for Australia. Canberra, then, would have to recalibrate and fundamentally rethink its defense policy, its alliance with the United States, and its strategic relationships with other regional partners.

After a PRC Takeover of Taiwan: A Japanese Perspective

Because Taiwan is of considerable value to Japan, Mataka Kamiya’s chapter on the Japanese perspective (Chapter 3) argued that Tokyo, too, would regard the Island’s fall to the PRC as deeply troubling. As Kamiya put it, “If China seizes Taiwan, the consequences—in political, military, economic, and even in terms of values and ideology—would have serious repercussions for Japan.”

Kamiya considered that the outcome of Taiwan’s fall would be “equally bad” whether the fall takes place without or despite U.S./allied assistance. He pointed out that, in Japanese eyes, U.S. credibility would be at stake if a PRC takeover takes place without U.S. intervention and that the U.S. ability to defend Japan effectively would be seriously questioned if there is a failed U.S. intervention.

Either way, serious problems would then likely emerge in the U.S.-Japan alliance as a result.

After a PRC Takeover of Taiwan: A Korean Perspective

Duyeon Kim’s chapter on the Korean perspective (Chapter 4) echoed Kamiya’s on the Japanese perspective. Kim stressed that “the expected

¹⁵Cossa, op. cit.

outcomes of Taiwan's fall for Korea would be the same under the two scenarios—both equally bad in terms of South Korean perceptions and sentiments about the U.S. security commitments to them and their interest in obtaining an independent nuclear deterrent.”

Kim, however, did insist that much would depend on the degree to which South Koreans question U.S. credibility and lose trust in Washington, as well as on the political party in power in Seoul, the state of the U.S.-Korea alliance, the state of Korea-PRC relations, and North Korea's nuclear capabilities and strategic calculus.

Still, she argued that a determining factor would be Chinese President Xi Jinping's worldview and China's economic situation. Either way, Kim stressed that a “constant outcome” could be an emboldened and more aggressive North Korea.

After a PRC Takeover of Taiwan: An Indian Perspective

Jabin Jacob's chapter on the Indian perspective (Chapter 5) argued that a PRC invasion of Taiwan would “change very little on the ground for India in terms of the bilateral [India-Taiwan] relationship itself ...”

Yet he explained that a PRC invasion of Taiwan would force India to refocus its national security policy squarely on the PRC, making it its primary threat. He added that India would also reconsider its relationship with the United States by distancing itself from Washington because a post-U.S. world order would be in the making and, at the same time, seeking to extract concessions from Washington.

More generally, Jacob stressed that Taiwan's fall would have far-reaching (very negative) implications for India in its immediate neighborhood, in its wider Asian and Indian Ocean neighborhood, as well as at the international level.

After a PRC Takeover of Taiwan: A European Perspective

Bruno Tertrais' chapter on the European perspective (Chapter 6) began with a reminder that Europe has only recently begun to worry about the PRC and the possibility of a conflict over Taiwan and, as a result, views and perceptions on this matter vary widely. Still, Tertrais explained that Europeans agree that the economic and strategic consequences of Taiwan's fall to the PRC would be problematic for Europe.

Tertrais argued that a failed U.S./allied intervention would be “less damaging for Europe” because a failure to intervene risks inviting “renewed Russian aggressiveness.”

In both cases, however, Tertrais explained that “the fall of Taiwan would be a wake-up call for Europe that it must act fast to be in a position to defend itself,” adding that several European countries would likely seek to strengthen their security and defense ties with several U.S. Indo-Pacific allies.

1

If Taiwan Falls: Future Scenarios and Implications for the United States

Ian Easton

American policymakers and military leaders are increasingly convinced that the Taiwan Strait is the strategic nerve center of the world. No other flashpoint is as structurally unstable, as politically vexing, and as likely to draw the world's leading superpowers into a war. Through both word and deed, Chairman Xi Jinping and the Chinese Communist Party (CCP) elite are signaling their intention to annihilate Taiwan's government through the use of overwhelming force. There is a growing concern in Washington that it may no longer be a question of if a Chinese attack on Taiwan will occur, but when and how.

Of course, it is debatable whether the CCP high command is operating according to a cast iron timeline. While prudent U.S. defense planners might assume that the countdown to war has already begun (and argue that countervailing American and Taiwanese preparations should proceed accordingly), wise strategists will not close their minds to other possibilities. It may very well be the case that Xi Jinping's plans and intentions for Taiwan are elastic and changeable. For all we know, Xi is convinced that a long-term campaign of coercion will succeed at crumbling the Taiwanese government's ability to resist annexation. It may even be the case that several politicians in Taiwan have been secretly cultivated by Chinese intelligence, and they might one day collaborate with the CCP to affect a takeover.

The purpose of this paper, however, is not to discuss such analytic problems, but rather to explore what lies beyond the compass of the current discourse. An understudied aspect of the Taiwan defense debate is what would happen *after* an invasion was over. What might happen, for example, if the People's Republic of China (PRC) succeeded in conquering Taiwan? How would that impact U.S. national security? If Taiwan (Republic of China, ROC) falls, what would the implications be for regional and global security?

In the following pages, we will examine these questions and attempt to come to grips with an overlooked aspect of the most consequential foreign policy problem of our time.

Into the Great Unknown

It is axiomatic that there is no way for us to know how the future will unfold. Unlike a code, puzzle, or cipher, the future cannot be solved. There is no master key that can crack open the door and give us

a look at the scenes that will appear weeks, months, and years from now. At the present time, we stand at the entryway of the here and now straining to peer ahead, but we see nothing because there is nothing to see. That world has yet to exist.

Since accurate prediction is impossible and the science of time travel remains speculative, we must exercise our imaginations and, to a certain degree, our logic. We must think about the unthinkable and accept that any thoughts we think will almost certainly be falsified by events. Indeed, we will cherish the hope that the future plays out in different ways entirely. With luck, the following scenarios will prove wrong. Tens of millions of lives are at stake, and the fates of billions of people could be irrevocably altered by war in ways that we are ill-equipped to forecast.

For the sake of keeping our thought exercise within reasonable bounds, we will explore only two of the manifold scenarios that are available or could be conjured. In the first of our imagined futures, Taiwan is invaded by the People's Liberation Army (PLA) and falls with no outside assistance from the United States or others. In the second imagined future, Taiwan is stormed and occupied by the PLA in spite of belated U.S. and allied attempts to forestall that eventuality. In scrutinizing both cases, our main concern will not be the finer details of how the storyline unspools, but rather what the situation looks like once it does and what the implications are for the United States and the region.

But before we plunge into our two nightmare scenarios, let us first take stock of what it would mean for the United States to lose Taiwan as a democratic partner and strategic bulwark against PRC expansionism.

The Constants

If Taiwan falls, several implications will remain constant irrespective of how it happens. Taiwan has outsized strategic value due to its extraordinary political character, its unique military and intelligence capabilities, its critical role in global high-tech supply chains, and its geographic location in the heart of East Asia. Regardless of how Taiwan is captured by the Chinese authorities, the region and the world will have lost a leading democracy, and the security architecture of the region will be altered. This would be a traumatic—and potentially

catastrophic—event in the history of American foreign policy.

When a Democracy Dies

At the time of this writing, Taiwan is ranked among the top 10 democracies in the world.¹ Freedom House gave Taiwan a composite score of 94 out of 100 when it came to measures of global freedom (in comparison the United States ranked 83 and China ranked 9).² Reporters Without Borders recently said that Taiwan has a remarkably high level of press freedom. Taiwan ranked 38 out of 180 in its World Press Freedom Index (in comparison the United States ranked 42 and China ranked 175).³ Since its transition to democracy, Taiwan has not had a seat at the United Nations or other international organizations. The United States and many other countries nonetheless have robust unofficial relationships with Taiwan, and Taiwan is widely considered by governments across the democratic world to be a responsible, like-minded partner and a model of good governance. Today, Taiwan can be counted on to advance democratic values and human rights.

If Taiwan was conquered, it would become an occupied territory ruled by China's one-party dictatorship. Its politics would fundamentally change. The free and independent country that used to be Taiwan (ROC) would disappear, and a repressive police state would emerge. The Chinese military would establish an overwhelming presence on Taiwan alongside the CCP's multi-layered internal security forces (MSS, MPS, PAP, Chengguan, etc.). The Communist Party can be expected to employ terror tactics against the local Taiwanese population. The mass surveillance and control complex that is omnipresent in Xinjiang and Tibet would likely be exported to Taiwan. A local proxy government under the direct control of Beijing would rule the islands, and all territory formerly administered by the ROC government would be harshly policed.

Patriotic education and mass propaganda campaigns would be launched in Taiwan to spread "Xi Jinping Thought" and imprint "Chinese socialist values" onto the minds of the vanquished population. A

number of Taiwan's film, television, and Mandopop stars can be expected to amplify Beijing's messages (many already do). The post-invasion media environment would be characterized by its high levels of censorship. Taiwan would exist on the brink of an informational blackhole. While international reporters would not have open access to Taiwan, it seems almost certain that scattered pieces of information would emerge out of occupied areas in the form of grisly pictures, video recordings, and refugee testimony that show violations of human rights were underway.

Having lost one of its leading representatives, the free world would likely be in the presence of a growing sense that illiberal forces were on the march and authoritarianism was spreading in an unchecked fashion. The loss of Taiwan could lead many democracies to experience a crisis of confidence. Many observers might draw the conclusion that China's Marxist-Leninist model was superior—or at the very least ascendant—and liberal democracies too weak to resist the new world order that Beijing was creating.

Lost Military and Intelligence Capabilities

Taiwan's military stands watch over the vulnerable flanks of Japan's southwestern approaches, protecting Japan and other East Asian countries from the threat of PRC expansionism. Indeed, the ROC armed forces patrol and monitor some of the world's busiest lines of communication. The air, water, and electromagnetic spectrum around Taiwan are dense with all manner of military and commercial traffic. Although often unacknowledged, Taiwan's military has long been a reliable partner to the United States on humanitarian assistance and disaster relief operations. The U.S. and ROC governments reportedly share intelligence, which the Americans are well positioned to collect with sophisticated satellites, aircraft, and submarines, and the Taiwanese collect with human agents, listening posts, and surveillance radars.⁴

If Taiwan falls, its military bases and intelligence facilities would be occupied by the PLA. The Chinese navy can be expected to base its ships and

¹Erin Hale, "Taiwan Ranks Among Top 10 Democracies in Annual Index," *Voice of America*, February 11, 2022, at <https://www.voanews.com/a/taiwan-ranks-among-top-10-democracies-in-annual-index-/6438806.html>.

²"Countries and Territories: Global Freedom Scores," *Freedom House*, undated, accessed January 17, 2022, at <https://freedomhouse.org/countries/freedom-world/scores>.

³"2022 World Press Freedom Index," *Reporters Without Borders*, undated, accessed January 17, 2022, at <https://rsf.org/en/index>.

⁴Ian Easton and Randall Schriver, "Standing Watch: Taiwan and Maritime Domain Awareness in the Western Pacific," *Project 2049 Institute*, December 16, 2014, at <https://project2049.net/2014/12/16/standing-watch-taiwan-and-maritime-domain-awareness-in-the-western-pacific/>.

submarines in Taiwan's deep-water ports. The naval bases at Su'ao and Keelung would be especially valuable for the PLA, which for the first time in its history would have unencumbered access to the deep waters of the Pacific. The American, Japanese, and Taiwanese surveillance systems that currently track Chinese submarines in the shallow waters off the East Asian littorals would be rendered less effective (or completely neutralized in Taiwan's case).

By invading and occupying Taiwan, the PLA would breach the center of the First Island Chain. After the invasion, Chinese bombers and missile units based on Taiwan would be able to hold U.S. forces in Okinawa and Guam at risk of surprise raids. Chinese special forces and amphibious units could use Taiwan to invade Japan's Ryukyu islands (Yonaguni, Ishigaki, etc.) and Luzon, the Philippines' largest and most populated island. PLA Navy surface action groups and aviation units based in Taiwan and the Penghu islands could threaten a blockade of Japan and South Korea by cutting off their primary sea lines of communication. The top of the South China Sea would be "corked"—providing PLA ballistic missile submarines with a maritime bastion and further reinforcing China's military dominance of Southeast Asia.

The United States would lose access to a critical intelligence gathering hub, and the American analytic community would lose their primary window into China. Taiwan is an irreplaceable source of Mandarin language training and all-source intelligence on China. Without Taiwan, the Pentagon and CIA would likely begin producing flawed analytical products, which could leave policymakers ill-informed and prone to making strategic mistakes. In the wake of the successful Chinese invasion of Taiwan, U.S. intelligence failures could be expected to increase.

Shattered Supply Chains

Today, Taiwan is the United States' 8th largest trading partner.⁵ According to the State Department: "U.S. exports of goods and services to Taiwan supported an estimated 188,000 American jobs in 2019 ...

Taiwanese cumulative investment in the United States was nearly \$137 billion in 2020. Taiwan's direct investment ... directly support an estimated 21,000 jobs in the United States and \$1.5 billion in U.S. exports."⁶ A cross-Strait war would cost hundreds of thousands of Americans their jobs, and hundreds of billions of dollars would be lost.

Further deeper economic pain would likely follow the initial blow to American prosperity. "U.S. foreign direct investment (FDI) in Taiwan (stock) was \$31.5 billion in 2020, a 8.8 percent increase from 2019. Reported U.S. direct investment in Taiwan is led by manufacturing, finance and insurance, and wholesale trade," according to the Office of the United States Trade Representative.⁷

The loss of Taiwan would negatively impact the health of the U.S. economy and could trigger an economic recession in America and across the world. A recent report asserted that "Taiwan may be the most critical link in the entire technology ecosystem," due to its dominance in the chip sector, original equipment manufacturing, original design manufacturing, and role as a central hub for producing technology-related materials. The report found, "Taiwan currently serves as a key supplier and partner to many leading U.S. technology firms like Apple, Nvidia, Texas Instruments, and Qualcomm, as well as to many U.S. allies globally."⁸ That would all disappear, forcing companies to suffer massive profit losses at the very moment they needed to invest in costly new facilities.

It is possible that a Chinese invasion of Taiwan would cause a 21st century version of the Great Depression. In any event, globalization would probably cease to exist, as the world splintered into hostile trade and security blocs. Supply chains, already significantly impacted by the COVID-19 pandemic, the Russian invasion of Ukraine, and instability in the Middle East, would be shattered. Prices would skyrocket. Panic buying and hoarding would be followed by a surge in nativism and strong impulse toward trade protectionism and self-sufficiency.

Harsh Geostrategic Realities

⁵Bureau of East Asian and Pacific Affairs, "U.S. Relations With Taiwan," *U.S. Department of State*, May 28, 2022, at <https://www.state.gov/u-s-relations-with-taiwan/>.

⁶Bureau of East Asian and Pacific Affairs, "U.S. Relations With Taiwan," *U.S. Department of State*, May 28, 2022, at <https://www.state.gov/u-s-relations-with-taiwan/>.

⁷"Taiwan: U.S.-Taiwan Trade Facts," *Office of the United States Trade Representative*, undated, accessed June 14, 2022, at <https://ustr.gov/countries-regions/china/taiwan>.

⁸"Initial Report: United States, Taiwan, and Semiconductors: A Critical Supply Chain Partnership," *The Project 2049 Institute & The U.S.-Taiwan Business Council*, June 8, 2022, p. 25, at <https://www.us-taiwan.org/resources/initial-report-us-taiwan-and-semiconductors-a-critical-supply-chain-partnership/>.

By seizing Taiwan, the PRC would have effectively carved out a sphere of influence for itself in Asia using violent methods. This invasion would have grave implications for international law, the ideal of national self-determination, and the principle of state sovereignty. The fall of Taiwan would undermine perceptions of U.S. global diplomatic and military leadership, straining (and possibly breaking) the American alliance system and the United Nations System. China would be viewed as the most powerful nation in the world and the primary mover of the 21st century. Leaders would experience trepidation as Beijing marched toward its vision of a new centralized, authoritarian world order.

Nuclear arms racing would start and could easily rapidly spiral out of control. The likelihood of World War Three breaking out could climb higher than anything previously seen. It can be expected that the world would begin sliding toward the brink of an abyss, and human civilization would risk being knocked backward in its developmental story. Abstract ideas like international law and universal values would increasingly appear quaint, even faintly ridiculous. This would be a new age of empires; might would once more make right.

In such circumstances, Japan could be expected to go nuclear and become heavily militarized. Tokyo would likely be in the grip of a profound sense of insecurity and disillusionment with U.S. defense guarantees. It is possible that Japanese politics could swing in a right-wing, authoritarian direction. Alternatively, it is possible that far left-wing politicians could gain power, and Japan might end up band wagoning with China. In either event, there would be an increasing risk that Japan's democracy would erode, and the country could experience a wave of political violence. Over time, it may even be possible that Japan would become a dictatorship.

South Korea would almost certainly feel itself being pulled into China orbit, and policymakers in Seoul would face the unpalatable choice of losing of their freedom and sovereignty or resisting CCP influence alongside the United States and Japan. South Korea would likely go nuclear and attempt to save their nation from takeover by building an independent deterrent force. South Korea may experience an even deeper domestic political crisis than Japan. It seems likely that the Philippines, Indonesia, Malaysia, and other Southeast Asia nations that are currently hedging their bets would conclude that they had no

choice but to align themselves with Beijing against the United States.

North Korea would likely be emboldened by a successful Chinese invasion of Taiwan and reconsider long-dormant plans to weaken and, if possible, destroy South Korea's government and affect a takeover of the peninsula. With the power and prestige of the United States drastically reduced and South Korea acutely vulnerable, it seems probable that North Korea would seek to obtain China's help in attacking South Korea. Beijing is likely to see the situation as an opportunity to drive American forces off the Asian mainland. China's government would probably encourage and support some degree of North Korean aggression. At a minimum, an unprecedented campaign of coercion would likely result, which could escalate to war. At the same time, CCP influence over Pyongyang would grow, and North Korea would struggle in vain to maintain its independence from the new PRC empire. India would almost certainly see the loss of Taiwan as a national security disaster and quickly expand its nuclear weapons arsenal and further build up its conventional military along the border. With Taiwan gone, the PLA would likely focus on re-taking territories controlled by Delhi as its next major mission. Australia will fear being encircled and isolated as the Chinese military pushes across the South Pacific. Canberra might opt to develop its own independent nuclear armaments program and accelerate plans to acquire nuclear-powered submarines. The Quad would be at a distinctive crossroads; it may become the foundation for a collective security organization like NATO, but it could just as easily fall apart.

A similar crossroads would be reached in Europe. With the United States distracted humiliated by China, NATO countries might rally together in common cause and redouble their efforts to bolster collective security. It seems at least as probable, however, that the post-war bonds that have long tied together the great democracies of Europe would fray. Combined Chinese and Russian influence campaigns might succeed in getting countries such as Germany, France, and Italy to embrace pro-Beijing policies that drive them against the United States and fatally fracture the NATO alliance network. European disunion might follow, throwing the continent into a political environment eerily reminiscent of the 1920s and 1930s.

With the PRC on the march and global geoeconomics in a downward spiral, fragile governments in the developing world could topple in large numbers, leading to cascading waves of seething political violence and, in several countries, devastating famine and starvation. Fascist, Communist, and Islamist dictatorships would emerge across Eurasia, Africa, and South America. Even European countries with moderate-to-high Human Development Index (HDI) scores might be at risk of being overtaken by radical populist impulses driven by the spreading economic despair.⁹ The CCP would seek to exploit the unstable environment as an opportunity to rapidly spread its model of totalitarian governance, create a global network of proxy governments, and fundamentally transform the world order.

Having examined the likely implications of a successful Chinese invasion of Taiwan irrespective of how it was to happen, let us now turn our attention to the most important variable in the equation: what would the United States do?

Scenario One: Thrown to the Wolves

Let's imagine a future in which a long PRC campaign of escalating gradually, cross-domain coercion creates a worsening state of political, military, and social crisis in Taiwan that ultimately results in PLA occupation without U.S. intervention. What might that scenario look like and, even more importantly, what might follow?

A Downward Spiral

In 2024, Beijing seizes the assets of major Taiwan invested enterprises in China and launches a series of cyber-attacks that selectively damage chip foundries in Hsinchu and Tainan. As a result, foreign direct investment into Taiwan starts to dry up. Apple, Intel, and Microsoft cancel plans to extend operations in Taiwan and each begins moving their production lines and R&D elsewhere. Soon thereafter, one of Taiwan's largest banks and several associated legal, financial, and real estate firms close in disgrace. This leads to an unprecedented wave of capital flight, brain drain, and unemployment. Organized crime activity in Taiwan rises. A dramatic series of armed clashes occur between rival gangs and between pro-China gangs and Taiwanese law enforcement

authorities. Dozens are killed in a single shootout in the densely populated Sanchong District just west of Taipei. Guns, human trafficking, and synthetic drugs traced back to China fuel Taiwan's downward social spiral.

PLA drones begin engaging in precision strikes on radar sites and signals intelligence collection facilities on Taiwan's outer islands of Kinmen, Wuchiu, Matsu, and Dongyin. PLA submarines launch unmanned underwater vehicles that sever fiberoptic cables connecting Taiwan to Japan and Guam. This forces Taiwan to reroute the majority of its communications through PRC controlled trunk lines. U.S. intelligence officers are startled to learn that a highly classified cable landing station near Hualien Air Force Base has been compromised and lost. While non-lethal, China's strikes on Taiwan's intelligence infrastructure and telecommunications grid have the effect of undermining morale and reducing U.S. confidence that Taiwan can be defended.

Taiwan's Ministry of National Defense is rocked by a corruption scandal involving espionage at the Armaments Bureau and NCIST (the National Chung-Shan Institute of Science and Technology). Chinese intelligence agents compromise highly sensitive computer networks and missile guidance systems. Taiwan's indigenous air defense and long-range strike missile networks see an 85 percent decrease in their operational readiness status. Several generals and a high-ranking legislator are arrested along with members of their staff, and three engineers are found dead in a previously undisclosed subterranean lab. Taiwan's defense minister and interior minister both resign in disgrace. Scintillating details of double-crosses, gambling debts, and secret weapons programs are leaked, and the scandal dominates Taiwanese media for weeks. Pressure builds for the premier to step down.

Escalation

A PLA drone flies over the Penghu Islands near Taiwan's main island and is shot down by a ROC Air Force F-16. Beijing declares a "selective, temporary maritime and air exclusion zone" around Taiwan and floods the Taiwan Strait with thousands of fishing vessels, some of which turn out to be unmanned, and remotely piloted aircraft. Clashes begin and quickly

⁹For background on the United Nations' Human Development Index, see <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>.

escalate between Chinese and Taiwanese air force, navy, and coast guard fleets. Pitched battles ensue and casualties are heavy on both sides. Stunned and terrified civilians stream out of Taiwan toward Japan and the United States via chartered passenger planes, cruise ships, and roll-on/roll-off cargo ships.

During the battle in the air and on the seas around Taiwan, the PLA conducts a nighttime air assault and amphibious landing operation against Kinmen, catching the local garrison commander by surprise. In spite of a delaying action led by a company of frogmen that fights to the last man, Kinmen is overrun and cleared of all resistance in three days. The invasion of Kinmen is followed by successful PLA assaults on Pratas and Matsu. The island of Dongyin is isolated and bombed relentlessly for 20 days before being attacked and captured in a bloody battle. Taiwan's missile and rocket artillery on its outer islands are able to do significant damage to PLA bases in the area around Fuzhou. Contrary to expectations, Itu Aba Island and the Wu Chiu islets are not invaded. Nor are the Penghus. So far, no air or missile attacks have been launched against Taiwan proper, and the fighting has been confined almost entirely to the Taiwan Strait.

China next shocks the world by conducting an above ground test of a nuclear weapon. The mushroom cloud engulfs a mockup of Anderson Air Force Base in the Xinjiang desert. The last time China had conducted an atmospheric test was 1980, and many are outraged. However, the international community's response is mixed and decidedly tepid. Chinese state-run media releases realistic "deep fake" digital videos showing Washington, Tokyo, and Canberra disappearing in nuclear firestorms along with a number of soon-viral memes, including: "Let's Not Go There," and "Guys, Taiwan Is NOT Worth It?" Beijing encourages an intense lobbying campaign in Washington. Fortune 500 companies begin to label anyone supporting Taiwan on social media a "dangerous warmonger" or "China-hater." Tesla fires several employees for supporting Taiwan's government on twitter. After a heated classroom seminar at Yale, a Taiwanese-American professor is beaten unconscious by Chinese exchange students and slips into a coma. Similar acts of violence spread across the United States. A mass shooting occurs at a Taiwanese grocery store in Los Angeles, killing over a dozen shoppers.

After an extraordinary congressional hearing that includes live testimony from the INDOPACOM

commander, STRATCOM commander, and CIA director, the majority of the U.S. government and Congress are convinced that Taiwan cannot be defended at a cost the American people can bear. The President issues a statement from the Oval Office, in which he declares that the U.S. military will not interfere in the conflict and says, "It has never been the policy of the United States to support Taiwan independence. Ours is a one China policy. We urge the Chinese people on both sides of the Strait to cease all hostility, return to the table of peace, and avail themselves of the fruits of a shared community and common future. We must stop the slide toward World War Three."

Soon thereafter, missiles, guided rockets, and attack drones shower Taiwan, devastating the government. Within minutes, the president and most other senior officials are killed, badly wounded, or missing. Many of them had been dispersed to "secure locations" and "safe houses," but those appear to have been compromised by some still-unconfirmed insider threat. Multiple generals are missing. Taiwan's chief of the general staff department is dug out of a collapsed bunker complex and takes temporary control.

With intelligence showing that the PLA is about to launch an overwhelming invasion and no prospect for international support, Taiwan's remnant government declares its willingness to engage in peace talks. The new vice president of Taiwan (a former bureaucrat at the Mainland Affairs Council) flies to Hong Kong to negotiate a settlement. Amid the negotiations, Beijing launches a surprise triphibious invasion of Taiwan, catching the Taiwanese military off-guard. Fighting is sporadic, confused, and uncoordinated. Taiwan is soon annexed and occupied by the Chinese military.

Implications

In this scenario, Taiwan falls without an all-out fight. As a result, the PLA is able to capture advanced American weapons systems and technology. This includes Patriot III ballistic missile defense fire units, the world-class surveillance radar on Leshan, and Apache helicopter gunships. Sophisticated Taiwanese cyber capabilities and telecommunications systems fall into China's hands, along with Taiwan's semiconductor manufacturing hubs. This ensures that China will dominate emerging technologies and control the future of the high-tech globalized digital system. The United

States and its allies scramble to invest in trusted chip foundries in their own countries, but severe production shortages force them to continue relying on the PRC for nearly all their electronics.

With Taiwan's government destroyed, many Taiwanese citizens abroad become stateless. They are forced to apply for a special PRC passport. Many of the Taiwanese that fled what the CCP terms the "Taiwan Unification Incident" are sent back to the island. Some of them are arrested and sent to labor camps for their "anti-China" activism abroad. Only a limited number of Taiwanese are able to seek asylum because governments around the world are afraid of backlash from Beijing (especially chip embargoes). Of those who do gain foreign green cards, many have their friends and relatives used as leverage against them, forcing some of them to return to Taiwan and face punishment. Others choose to cut all ties and live quietly in their new home countries, trying to avoid the notice of Chinese intelligence. Not all are successful.

In the years that follow, the United States makes an attempt to form an Asian version of NATO but fails because of a significant trust deficit. Japan builds a nuclear deterrent and becomes a military superpower in its own right. Australia sides with the United States, but South Korea and all of southeast Asia fall into China's diplomatic orbit. They form a trade bloc that excludes the United States and its remaining allies. India keeps its distance from the United States, doubles its nuclear stockpile, and hardens itself for a war with China. Delhi and Beijing take turns testing nuclear weapons. Fighting soon breaks out along the PRC-India border. Europe is weakened by the long war in Ukraine and riven by infighting. Chinese influence spreads unchecked across Eurasia, Africa, and South America. Mexico formally joins BRI and begins to host PLA Navy ship visits and PLA Air Force jets. The primary flashpoints of the Second Cold War become Okinawa and Central America.

Scenario Two: Too Little, Too Late

Now let's imagine a future in which the PRC launches an invasion of Taiwan that ultimately results in PLA occupation in spite of U.S. intervention. What might that look like and, even more importantly, what might follow?

Taiwan's Final Election

In 2024, after a heated three-way race for the office of the president, the citizens of Taiwan elect a charismatic but emotionally unstable business magnate into power. For the first time in decades, serious international accusations of electoral fraud and corruption tarnish Taiwan's reputation as a leading democracy. Taiwan's new "Tycoon President" is inaugurated in May and begins establishing his cabinet under a cloud of American suspicion and domestic turmoil. Demonstrators march in the streets on Taiwan in record numbers. The protests are peaceful but protracted. After a long summer of sit-ins and "occupy for freedom" events, the movement begins to be portrayed by pro-Beijing media outlets as disruptive, undermining the PRC's economy and social wellbeing.

The Global Times publishes an article signed by the outlet's editorial board that argues, "If the Taipei authorities cannot assert control and protect our nation's trade interests, why then, the PLA sure can. We are all one family and one community with a shared destiny. As big brother, the mainland has a responsibility to help Taiwan achieve true stability." By August, U.S. and Taiwanese intelligence reports begin to show a remarkable buildup of Chinese military forces across from Taiwan. Despite urgent warnings of an impending attack, Taiwan's president refuses to increase his country's readiness levels.

In conversations with the director of AIT, Taiwan's president repeatedly expresses optimism that China will welcome his cross-strait trade agenda. Washington secretly sends the CIA director and the INDOPACOM intelligence chief (J2) to Taipei to share intelligence and convey their grave concerns about the looming threat. They are told by Taiwan's president that he has received assurances "from the highest levels in Beijing" through a special backchannel, and he is "convinced China is merely posturing for domestic political reasons." The White House receives the similar message from the PRC ambassador and is temporarily mollified. Nonetheless, debates continue in the National Security Council regarding Beijing's true plans and intentions.

Reduced to a Shadow

The last week of September sees China suddenly launch a massive missile, air, and cyber-attack against Taiwan. The Taiwanese president survives

multiple assassination attempts and orders all-out national mobilization. The PLA is careful to avoid engaging American forces in the area and allows all foreigners to leave Taiwan. For the next two weeks, an unprecedented battle rages in the Taiwan Strait, and Taiwanese military targets are repeatedly hammered from the air. By the time the amphibious invasion begins, Taiwan's military is a mere shadow of its former self. With its communications systems severely degraded, Taipei struggles to coordinate its response.

Initially, the United States hoped that the "Ukraine model" would work for Taiwan, and it could aid Taiwan while avoiding direct combat with China. But after a remarkably smooth triphibious landing operations along Taiwan's west coast, it soon becomes apparent that the PLA is far more capable than the Russian military. The United States rallies Japan, Australia, South Korea, and NATO to the defense of Taiwan, but Washington loses too much time building consensus before its acts. While late, the U.S.-led *ad hoc* coalition is able to cripple the PLA Navy and land several thousand marines on Taiwan to bolster the defense of Taipei. But intervention comes at a staggering price: most of the Pacific Fleet is sunk and the marines suffer 50 percent casualties before surrendering. Hundreds of American and allied pilots are lost over the Western Pacific, and thousands of U.S. Air Force ground crews and their dependents are killed by Chinese missiles. The American public is outraged to learn that many of the victims were schoolchildren; their on-base schools lacked bomb shelters.

The Taiwanese ground forces put up a heroic but ultimately doomed defense of their country. China's innovative use of unmanned cargo planes, maritime militia, and state-run cargo ships ensures an unbroken river of reinforcements continue to flow to PLA forces on Taiwan. After Taiwan's president is killed in a gunfight and the vice president is captured, Taiwanese forces lose momentum and begin to crumble. Major cities are captured as the Taiwanese defenders fall back to the mountains. A last-ditch stand is made on Taiwan's east coast city of Hualien, but the local forces are surrounded and shelled without mercy for weeks. Cut-off and starving, the survivors finally surrender. The United States and its allies arrived to the fight too late and were unable to reverse the outcome. After six weeks of intense fighting, Taiwan is lost. A ceasefire is negotiated between the United States and PRC in Singapore. The

battle for Taiwan is over, but the second Cold War has just begun.

Implications

In this scenario, Taiwan falls after an intense battle that ultimately includes the United States and its allies. The PLA captures very little in the way of advanced American weapons technology in Taiwan because almost everything is destroyed in the course of fighting. Most of Taiwan's sophisticated cyber capabilities and telecommunications systems do not fall into China's hands. Taiwanese citizens flee in large numbers to the West. The science parks in Hsinchu and Tainan are deserted and heavily damaged, making them close to worthless. Much of Taiwan is in ruins. Amid the poverty, homelessness, and hunger that follows in the wake of the invasion, a novel variant of the bird flu kills over a million civilians and a hundred thousand PLA troops garrisoned in occupied Taiwan.

The United States works with Taiwan's representative in Washington to establish a government in exile headquartered at the Twin Oaks Estate, which works to keep Taiwanese culture alive in the international community. Taiwanese citizens abroad are warmly welcomed into North America, Japan, and Australia. They work with their host nations to rebuild a new technology ecosystem that gives the free world a considerable advantage in the long global cold war that follows. An Asian NATO takes shape, headquartered in Tokyo, Japan. European nations are shaken by the war and bolster their collective security ties. France and the UK reestablish military bases in the Pacific Ocean, alongside their U.S. and Australian allies. The Philippines and Nepal become the primary flashpoints of the second Cold War.

The United Nations headquarters is shuttered. The United States and its democratic allies establish a new Concert of Democracies and series of affiliated international organizations based in Vancouver, New Delhi, and Sydney. Each becomes a center of democratic diplomacy. On November 10th every year, on university campuses and in public parks across the free world candlelight vigils held in memory of Taiwan. The Free Taiwan movement becomes fashionable in Hollywood, which at long last makes movies that portray China's government and its agents as villains.

Considerations and Recommendations for Policy¹⁰

While the scenarios we explored in this paper are imaginary, the threat facing Taiwan is not. If current trends continue, Taiwan could become a war zone in this decade. It is also possible that Taiwan's democracy could be subverted and destroyed through a successful campaign of coercion. Whatever happens, it seems likely that events in and around Taiwan will alter the strategic fabric of the Indo-Pacific region and shape the future world order. The importance of Taiwan is difficult to overstate. To maintain a favorable defensive edge well into the future, the United States and Taiwan will have to deepen their bilateral relationship, expanding into new domains of cooperation as part of long-term competition with the PRC.

President Joe Biden and President Tsai Ing-wen should work together to lead a historic effort to deter the CCP from breaking the peace, thereby bending the arch of history in a brighter direction. This will be a challenging endeavor. So far, neither the United States nor Taiwan has a national strategy for China, and both governments lack a vision for the future of U.S.-Taiwan relations. Even more worrisome, our senior leaders are not friends and do not even have working relationship with each other. They don't talk on the phone, let alone meet in-person.

Perhaps they have been told they can avert a future disaster simply by buying the "right" kinds of military equipment. However, ideas like the "Overall Defense Concept" and "Fortress Taiwan" are rough conceptual frameworks, not strategies. A good military strategy is impossible in the absence of national security policies established on empirical facts and solid intelligence, in other words, the truth. Yet, when it comes to Taiwan policy, facts are often obscured for reasons of political expediency, and, it must be emphasized, overmilitarized foreign policies are failed foreign policies.

A diplomatically isolated Taiwan serves the CCP's interests, not those of the United States and other democracies. Cooperative diplomacy between sovereign equals is the antidote to war. The Taiwan Strait is unlikely to be stable until Taiwan is treated like other legitimate countries around the world and placed safely inside a new collective security architecture led by the United States. This could not—and should not—happen overnight. A carefully considered, step-by-step plan of action is required. Looking to the future, it should no longer be a question of if the United States and other democracies recognize Taiwan as the supremely important country it is, but when and how. If false political assumptions are the root cause of this generation's most vexing international problem, then rethinking past policies is the solution.

The following recommendations underscore the importance of exploiting relatively low cost and high impact means to deter potential acts of aggression and to defeat a broad range of potential PLA uses of force in the event that deterrence should fail. Given the CCP's stated objectives, military buildup, and recent provocations, it is imperative that the United States and Taiwan advance their partnership in line with both countries shared strategic interests. With political vision and will, much more can be done to ensure the long-term peace and strategic stability of the Taiwan Strait area.

Policymakers in Washington and Taipei could consider the benefits of establishing a secure common operational picture for intelligence, surveillance, and reconnaissance (ISR) and "deterrence by detection."¹¹ The United States and Taiwan may want to negotiate the selective pooling of resources in a mutually beneficial manner. An integrated network of sensor systems could enhance deterrence and reduce risks of miscalculation. Interoperable units could allow political and military leaders in the United States and Taiwan to communicate and exchange ISR in near real-time.

¹⁰This section draws, in part, from two previous works: Ian Easton, "Want to save the world? Recognize Taiwan," *Taipei Times*, February 14, 2022, at <https://www.taipeitimes.com/News/editorials/archives/2022/02/14/2003773072>; and Ian Easton, Mark Stokes, Yang Kuang-shun, Eric Lee, and Colby Ferland, "Watching Over the Taiwan Strait: The Role of Unmanned Aerial Vehicles in Taiwan's Defense Strategy," *Project 2049 Institute*, June 30, 2020, at <https://project2049.net/2020/06/30/watching-over-the-taiwan-strait-the-role-of-unmanned-aerial-vehicles-in-taiwans-defense-strategy/>.

¹¹American defense strategists at the Center for Strategic and Budgetary Assessments (CSBA) have developed a concept called "deterrence by detection," which is applicable to the defense of Taiwan. This operational concept envisions deterring CCP aggression by using a network of non-

stealthy, long-endurance UAVs to monitor key geographic areas like the Taiwan Strait. The concept of "deterrence by detection" is premised on the logic that adversaries (in this case CCP and PLA decision-makers) are less likely to take risks and engage in opportunistic acts of aggression "if they know they are being watched constantly and that their actions can be published widely." See Thomas G. Mahnken, Travis Sharp, and Grace B. Kim, *Deterrence by Detection: A Key Role for Unmanned Aircraft Systems in Great Power Competition* (Washington, D.C.: Center for Strategic and Budgetary Assessments, April 2020), p. 6, at <https://csbaonline.org/research/publications/deterrence-by-detection-a-key-role-for-unmanned-aircraft-systems-in-great-power-competition>.

To this end, the U.S. Indo-Pacific Command and ROC Armed Forces may consider integrating forces into future joint training and operational readiness exercises. The United States and Taiwan could leverage these forces in support of humanitarian assistance and disaster relief (HA/DR) operations. As defense and security ties deepen over time, both sides may consider how to execute coalition operations, including anti-submarine warfare missions, air and missile defense, and coastal defense operations.

In the coming years, Chinese military operations could fundamentally transform the security situation in the Taiwan Strait. Military analysts from the United States and Taiwan may find merit in conducting joint studies on possible future scenarios that are based on the need to defend against both coercive and annihilative courses of action that are available to Chinese planners. Washington and Taipei could consider establishing a bilateral working group on whole of society security. It is critical that the United States and Taiwan are able to ensure that their societies are not infiltrated and manipulated by adversary military or intelligence operators. To this end, they could establish a special working group on CCP influence and political warfare that is tasked with studying potential threats and making recommendations for disrupting them.

Given the strategic importance of Taiwan, American think tanks and universities should consider establishing branches in Taipei. The U.S. government should give more consideration to the benefits of establishing a significant (and potentially visible) presence of special operation forces and marines in Taiwan for training, advisory, and liaison purposes. Ship visits, joint Taiwan Strait patrols, and routine senior leader delegations from Honolulu to Taiwan are additional low cost and high impact options that are available, should policymakers decide such activities would benefit the cause of peace.

2

Chinese Victory over Taiwan – An Australian Perspective

Malcolm Davis

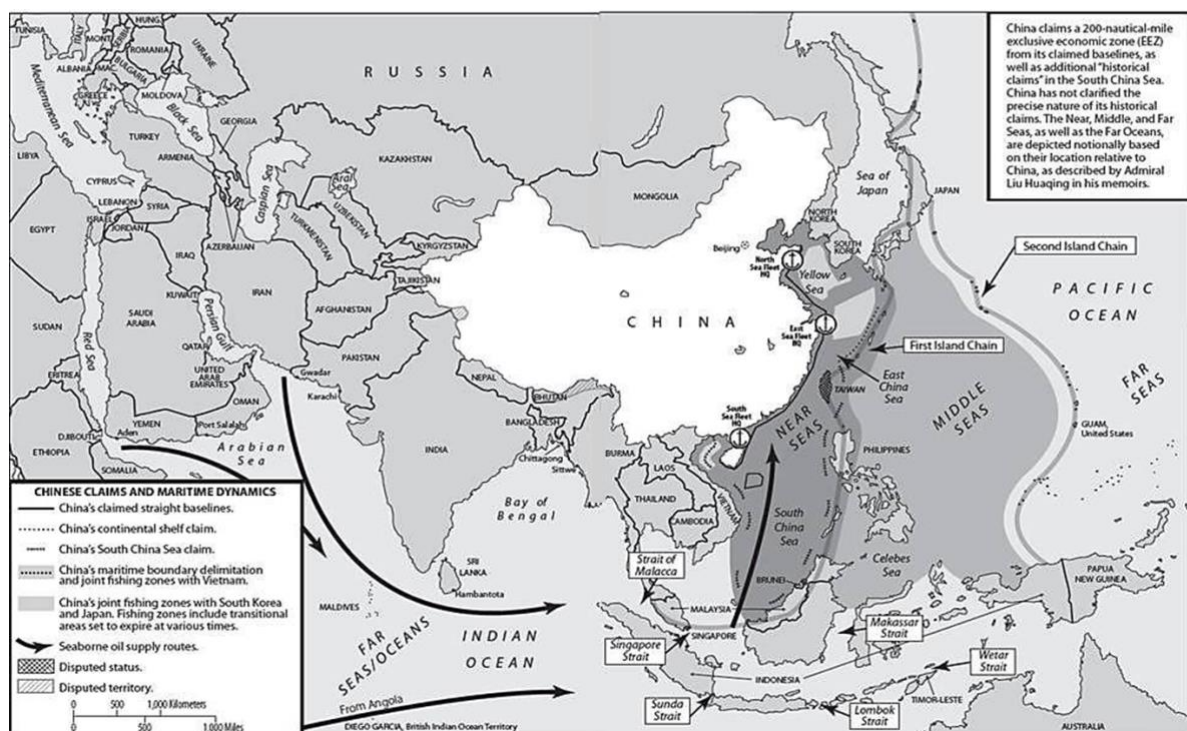
It's August 2027, and Australia's government confronts the aftermath of a successful Chinese invasion of Taiwan. In a short, victorious war, the PLA has rapidly secured control of the island and is now brutally suppressing any resistance from remnants of the Taiwanese defense forces and putting down any opposition from the Taiwanese people. Media reporting out of Taiwan is extremely limited, and commercial satellite imaging is being blocked by Chinese jamming of satellites. The Taiwanese people's access to the internet has been almost completely shut down. Australian journalists inside Taiwan, alongside the small number of diplomats and businesspeople, are in hiding or trying to find a means to get to safety in Japan or in the Philippines. There are fears of the establishment of 're-education camps', similar to those in Xinjiang, with Taiwanese being rounded up in large numbers ...

For Australia, the success of any future Chinese invasion of Taiwan would present a number of serious strategic risks that in turn would exacerbate the threat posed to its security. In successfully invading and occupying Taiwan, China would be able to use the island to project military power deeper into the central pacific (see map), from the first island chain centered on Taiwan out to the second island chain centered on the U.S. territory of Guam. Forward deployed PLA units on Taiwan could be

western pacific, as PLA anti-access and area denial (A2AD) systems are brought forward and PLAN naval and PLAAF air units operate from Taiwanese ports and airbases. Thus, one possible outcome of a successful Chinese invasion of Taiwan would be giving China greater freedom of action across east Asia, to pursue further strategic and territorial ambitions absent a U.S. ability, or willingness, to sustain a forward presence in the region.

With Taiwan under its control, China has a number of possible opportunities to strengthen its ability to assert power. From bases in mainland China, and also in Taiwan, China can also more easily isolate and blockade Japan, cutting off its access to vital maritime trade, and severing essential submarine cables providing internet and telecommunications. It might seek to decisively resolve the dispute with Japan over the Senkaku Islands and coerce a vital Australian ally to acquiesce to a Chinese-led regional security order, akin to what Beijing often refers to as a 'community of common destiny.' Pivoting south, China can use Taiwan to control the South China Sea more easily, and directly dominate the essential sea lanes of communication through the Straits of Malacca. This would enable it to have a chokehold on a third of global shipping, and, most significantly, on forty two

"Near Seas" vs. "Far Seas"



Source: Andrew S. Erickson, Abraham M. Denmark, Gabriel Collins, "Beijing's 'starter carrier' and future steps", in *US Naval War College Review*, winter 2012.

percent of Japan's maritime trade.¹ Control of Taiwan, together with Chinese access to its naval base at Ream in Cambodia,² and bases on artificial islands created by China within the South China Sea, would in effect turn this vital global waterway into a Chinese lake, achieving its claim to the territories and maritime space within their so-called 'ten-dash line' as Chinese territorial waters and airspace. By extension, that would then place almost unbearable pressure on ASEAN to accept not only a Code of Conduct for the South China Sea dictated by Beijing, but also de facto Chinese domination of ASEAN.

In this geostrategic sense, Taiwan is therefore a linchpin to China's hegemonic ambitions across the entirety of East Asia throughout the remainder of this century.³ It's the key to achieving the China Dream, the success of which is vital to Xi's, and the Chinese Communist Party's (CCPs), continued grip on power. Beijing will understand that marshalling international unity to support Taiwan in the face of an invasion by China will be difficult, given Taiwan's isolation from the international system, and the huge coercive potential for Chinese economic power and political pressure that is likely to be applied to regional governments, though Chinese soft power will take a huge hit with an invasion of Taiwan. The ability to resupply Taiwan with arms will be precarious given Chinese anti-access and area denial capabilities and the difficulty of ensuring logistics support into a contested environment. As Mark Harrison [notes](#) in examining the lessons learned from Ukraine's experience:

... despite Taiwan providing a compelling democratic story from which many countries should learn and making a vital contribution to the global economy, the kind of political rallying and popular sentiment that has benefited Ukraine in the domestic politics of many nations will be divided and equivocal for Taiwan."⁴

If a future government in Taiwan won't accept Chinese terms for peaceful unification, and if China

won't accept the status quo indefinitely, then, perhaps as early as the second half of this decade, the CCP will resort to the use of force to annex Taiwan.⁵ What happens at that point, how does the United States and its allies respond, and what are the implications for Australia of a successful Chinese invasion of Taiwan, will be the focus of the remainder of this paper.

The Day After the War—Two Scenarios for Canberra

Considering the aftermath of any war between China and Taiwan is inherently speculative in nature, but some broad possibilities emerge which could shape Australian policy options. Two hypothetical scenarios emerge in considering any Chinese invasion of Taiwan, and both of these depend on the willingness and ability of the United States to intervene militarily in support of Taiwan.

The first scenario assumes a failure of the United States to intervene militarily on Taiwan's behalf. This might see the PLA launch a lightning invasion across the Taiwan Straits that occurs so rapidly as to present a fait accompli to any future U.S. Administration, and to the region. Such an invasion might be accompanied by coercive threats, with Beijing, having watched the effectiveness of Russia's use of implicit and explicit nuclear threats throughout the 2022 Ukraine war, and choosing to make a similar use of nuclear threats to deter the United States government from intervening militarily.⁶

Other factors may also constrain a willingness on the part of the United States for intervention. These could include increasing domestic political and economic challenges, including bitter and divisive partisan politics suggesting differing prioritization for investment—a 'guns vs. butter' debate—that could shape any national discussion over foreign intervention more broadly in the future. A change in Administration could see a return to an 'America First' policy which erodes confidence in U.S.

¹CSIS, 'How much trade transits the South China Sea', *ChinaPower*, <https://chinapower.csis.org/much-trade-transits-south-china-sea/>.

²Malcolm Davis, 'China's Cambodia Gambit', *The Strategist*, 29 July 2019, at <https://www.aspistrategist.org.au/chinas-cambodia-gambit/>; Kyodo News, 'Japan concerned over Cambodia naval base modernizing with Chinese aid', 21 June 2022, at

<https://english.kyodonews.net/news/2022/06/1335480f2f6f-japan-concerned-over-cambodia-naval-base-modernizing-with-chinese-aid.html>.

³Brendan Rittenhouse Green, Caitlin Talmadge, 'The Consequences of Conquest—Why Indo-Pacific Power Hinges on Taiwan', *Foreign Affairs*, July-August 2022, at <https://www.foreignaffairs.com/articles/china/2022-06-16/consequences-conquest-taiwan-indo-pacific>.

⁴Mark Harrison, 'War in Ukraine holds sobering lessons for Taiwan', *The Strategist*, 12 April 2022, at <https://www.aspistrategist.org.au/war-in-ukraine-holds-sobering-lessons-for-taiwan/>.

⁵Derek Grossman, 'Taiwan is Safe until at least 2027, but with one big caveat', RAND, November 10, 2021, <https://www.rand.org/blog/2021/11/taiwan-is-safe-until-at-least-2027-but-with-one-big.html>.

⁶Joseph S. Nye, 'What the invasion of Ukraine has revealed about the nature of modern warfare', *The Strategist*, 16 June 2022, at <https://www.aspistrategist.org.au/what-the-invasion-of-ukraine-has-revealed-about-the-nature-of-modern-warfare/>.

commitment to allies across the Indo-Pacific and at the same time raises confidence in Beijing that any invasion across the Taiwan straits wouldn't generate a U.S. response. Whilst it is once again speculative to assume a repetition of events under Trump's first administration or in a future 'Trumpist' led U.S. government, it is likely that a return of Trump, or someone with his views would generate intense internal political unrest and tension that could distract the United States from key security commitments overseas, including weaken any incentive for the United States to intervene in support of Taiwan.

Furthermore, as of the writing of this paper, the outcome of the 2022 Ukraine war is not certain, and the potential for a prolonged Russian threat to Europe's eastern frontier is likely to demand that the current Biden Administration, as well as any future administration, juggle the increasingly delicate balance between supporting vital NATO partners in Europe, against prioritizing a rebalancing to the Indo-Pacific to deter a rising China. NATO's 2022 Summit in Madrid has flagged a rapid and substantial growth in the size and capability of NATO rapid reaction forces, and although it is vital that European states adequately burden share in providing their own security, it's clear that the United States will expand military commitments in Europe.⁷ With growing domestic economic challenges, and an urgent requirement to manage defense investment priorities between force sustainment, operational costs, and force modernization, it's possible that the U.S. military may be simply be overburdened with commitments at a global level. The acute threat that is an aggressive, expansionist nuclear-armed Russia might easily see, once again, a re-prioritization away from meeting the pacing threat that is a rising China in the Indo-Pacific. As was the case after 2013, a new pivot to the Indo-Pacific, once again, might be stillborn. Add to this a slow-burning crisis with Iran as negotiations to restore the Joint Comprehensive Plan of Action (JCPOA) founder, and Iran breaks out of IAEA safeguards, leaving a Biden Administration facing the choice of accepting Iran as a nuclear weapons state, or using force to prevent such an

outcome—a step that could drag the United States back into another Middle East war.

With these strategic caveats in mind, considering any failure of the United States to respond militarily to a lightning invasion of Taiwan by China would reinforce a perception in Beijing of new freedom to expand its presence and influence across the western Pacific at the expense of American interests in the long term. Taiwan, in this sense, is a means to the greater end of China supplanting the United States as the dominant strategic power in the Indo-Pacific.⁸ The key concern by U.S. allies and partners would be that Washington would have appeared to have 'blinked' in one of its most crucial tests, and by doing so, perhaps fatally undermined confidence in key agreements such as ANZUS, AUKUS, and also the Quad.

The second scenario *would* see a military intervention by the United States, to defeat a Chinese seizure of Taiwan, and respond to a Chinese direct attack on forward deployed U.S. forces in the Western Pacific in what would likely be seen within the United States as a 'second Pearl Harbour' style attack that is designed to cripple U.S. military capability and prevent the United States' ability to respond.⁹ In this scenario, Chinese PLA anti-access and area denial capabilities, based around its air, naval, missile, space, and cyber forces, launch devastating surprise attacks on forward deployed U.S. forces in Japan, Guam, Australia, and U.S. Naval forces at sea, inflicting heavy losses. The U.S. military strikes back, also inflicting losses on Chinese forces, but the impact of the Chinese surprise attacks leaves the U.S. military response less effective—too little and too late—and as such, China can still successfully carry out its invasion of Taiwan.

Given the serious implications of a successful invasion of Taiwan for U.S. strategic primacy in Asia, accepting a Chinese victory, even after an initial U.S. military intervention, would be a catastrophic blow to the interests of the United States, and probably represent the end of a free and open Indo-Pacific. The consequences of that outcome may be sufficiently bad for U.S. interests that a current or future U.S.

⁷NATO Secretary General Jens Stoltenberg, 'Pre-Summit press conference', NATO, 27 June 2022, at https://www.nato.int/cps/en/natohq/opinions_197080.htm; Malcolm Davis, 'Despite support for Ukraine, NATO must continue to show resolve against Russia', *The Strategist*, 1 July 2022, at <https://www.aspistrategist.org.au/despite-support-for-ukraine-nato-must-continue-to-show-resolve-against-russia/>.

⁸Hugh White, 'Sleepwalk to War', *Quarterly Essay*, Issue 86, 2022, p. 12.

⁹Thomas Shugart, 'Has China been practicing pre-emptive missile strikes against U.S. Bases?' *War on the Rocks*, February 6, 2017, at <https://warontherocks.com/2017/02/has-china-been-practicing-preemptive-missile-strikes-against-u-s-bases/>; Aninda Dey, 'China to strike US bases in Indo-Pacific, aircraft carriers in war over Taiwan', *Firstpost*, June 19, 2022, at <https://www.firstpost.com/opinion/china-to-strike-us-bases-in-indo-pacific-aircraft-carriers-in-war-over-taiwan-10812481.html>.

Administration could consider option for protracted war.¹⁰ Supported by its allies, including Australia, the United States could regroup and recover to launch further attacks on Chinese forces in the hope of reversing the invasion of Taiwan, including undertaking a 'D-Day' style landing on the island. Certainly, that could be incredibly costly in terms of lives lost, and risk Chinese escalation to nuclear weapons. Alternatively, the United States and its allies, facing the unacceptable prospect of Chinese domination of East Asia from a successful invasion of Taiwan, could also consider the option for waging a broader protracted war to raise the overall cost to Beijing to unacceptable levels, with the aim being an eventual settlement that restored U.S. and allied interests, and ensured deterrence of future Chinese attacks. This would likely see Australia's prominence as a key U.S. ally rise even higher, with the possibility of United States military forces operating from Australian territory in any protracted war.

The Implications of Chinese Control of Taiwan for Australia

For the Australian government, the risk is that having secured control of Taiwan, China will be much better placed to deny U.S. forward presence, to weaken American geopolitical influence in Asia, and expand Beijing's domination in the region. Beijing's grand strategic objective would be to promote a community of common destiny, led by China, in which its neighbors accept a 'Chinese Century' and a hegemonic new Middle Kingdom. It would be the China Dream made manifest.

In this adverse future environment, Australia increasingly stands alone in the face of a victorious China. Examining the course of events after a successful invasion of Taiwan is inherently speculative, but based on past actions, it's likely that Australia would quickly come under pressure from Beijing to accommodate Chinese interests. How this pressure might emerge is of course speculative but based on China's political warfare carried out against Australia since 2015, it could be anticipated that the approach by Beijing could be even more aggressive, particularly if the United States support was perceived to have become more uncertain. Might China's ambassador in Canberra provide the first of

a series of lists of demands to the Australian government, very similar to that it presented as 'fourteen grievances' in 2020?¹¹ Might the expectation of Beijing be that Australia, absent the support of the United States, sever its strategic relationship with Washington, and abolish AUKUS and ANZUS under direction from Beijing? Might Canberra be required to accept China's ten-dash line in the South China Sea and stand aside as Chinese bases are established in South Pacific states? Would Canberra be required to facilitate Chinese investment in, and control of, Australian critical utilities and key information infrastructure, reversing its 2015 ban on Huawei? With the 2020 fourteen grievances as broad guidance, other demands could see Chinese oversight of Australian media freedoms, that stifle any criticism of China. In short, might Canberra be confronted by demands from Beijing to sacrifice its values and sovereignty as a form of tribute to a now dominant Beijing, in return for assurances of peace, security and the promise of future investment as part of a Chinese led security order.

It seems highly unlikely that Australia would succumb to such coercion, and it is more likely that the response would be to strengthen ties with the United States, to get it to re-engage in the region, perhaps through offering greater access to Australian facilities for U.S. military forces, whilst at the same time, strengthening Australia's own defense self-reliance. There would be an incentive for Australia to seek closer defense and national security relations with key regional partners, such as Japan, South Korea, India, and the ASEAN states, as well as New Zealand, particularly if these states were, like Australia, facing new coercive threats from Beijing. Boosting cooperation with external partners such as the United Kingdom and NATO might also be one policy response to a successful Chinese invasion of Taiwan.

The failure of any U.S. intervention—either one that doesn't happen at all, or an intervention that is unsuccessful in stopping a Chinese invasion and occupation of Taiwan—would certainly require Australia to recalibrate and rethink its defense policy based around a possibility that the United States wouldn't be able to support Australian security, even if ANZUS were to survive. At the most fundamental level, Australian and American interests are

¹⁰Michael O'Hanlon, 'Tell me how the US-China war ends', *The Hill*, 17 January 2022, at <https://thehill.com/opinion/national-security/589539-tell-me-how-the-us-china-war-ends/?rl=1>.

¹¹Graeme Dobell, 'Fourteen points on Australia's icy times with China', *The Strategist*, 6 April 2021, at <https://www.aspistrategist.org.au/fourteen-points-on-australias-icy-times-with-china/>;

also [https://static.ffx.io/images/\\$width_1024/t_resize_width/q_86%2Cf_auto/8c3e299f62bf23135373d8eaaeb3269f41080f7](https://static.ffx.io/images/$width_1024/t_resize_width/q_86%2Cf_auto/8c3e299f62bf23135373d8eaaeb3269f41080f7).

intertwined and linked at the military-strategic level, with Australian reliance on U.S. extended nuclear deterrence security guarantees as a foundation for Australia's defense policy for decades. Short of a U.S. abandonment of its interests across the Indo-Pacific in a misguided decision to turn inwards and embrace a new America First neo-isolationism, and to forego traditional extended nuclear deterrence security guarantees, U.S. and Australian defense interests would be likely to remain intertwined, but there would be far greater demand in Australia to provide for defense self-reliance across a broader spectrum of operational capabilities, including those for assuring deterrence. The 2009 Defence White paper stated that whilst defense self-reliance is a key element of Australian defense policy, the concept means that '... Australia would only expect the United States to come to our aid in circumstances where we were under threat from a major power whose military capabilities were simply beyond our capacity to resist. Short of that situation, the United States would reasonably expect us to attend to our own direct security needs ...'¹² (6.32) However, it also notes in relation to extended nuclear deterrence that '... so long as nuclear weapons exist, we are able to rely on the nuclear forces of the United States to deter nuclear attack on Australia. Australian defence policy under successive governments has acknowledged the value to Australia of the protection afforded by extended nuclear deterrence under the U.S. alliance. That protection provides a stable and reliable sense of assurance and has over the years removed the need for Australia to consider more significant and expensive defence options.'¹³ (6.34) The 2020 Defence Strategic Update maintains the importance of dependence on U.S. extended nuclear deterrence, stating '... only the nuclear and conventional capabilities of the United States can offer effective deterrence against the possibility of nuclear threats against Australia. But it is the government's intent that Australia takes greater responsibility for our own security. It is therefore essential that the ADF grow its self-reliant ability to deliver deterrent effects.'¹³ (2.22)

At the most fundamental level of nuclear deterrence, a failure of the United States to intervene in support of Taiwan—or a failed intervention leading to a successful Chinese occupation of Taiwan and a U.S.

military defeat—would raise questions about the efficacy of U.S. extended nuclear deterrence, not just for Australia, but also for other key U.S. allies, such as Japan and South Korea, particularly if an inability to intervene was in part seen to be driven by implicit or explicit Chinese threats of nuclear weapons use, in a manner similar to Russia's use of nuclear threats against NATO during the Ukraine war. The question that inevitably would be asked would be 'with U.S. extended nuclear deterrence?' and what implications this would have for U.S. partners in the Indo-Pacific facing an emboldened China that has successfully used nuclear coercion. One option—Australian acquisition of an independent nuclear deterrent capability in the face of a collapse of U.S. extended nuclear deterrence security guarantees—would be technologically very demanding and couldn't be achieved quickly. Simply building a crude bomb wouldn't be sufficient in the face of China's extensive nuclear warfighting capacity. Australia would have to consider delivery systems, nuclear strategy, command and control, and nuclear capability assurance infrastructure to sustain any independent nuclear deterrent. The political and strategic effects of such a choice would be grave given that Australia would in effect, have to walk away from its obligations under the Nuclear Non-Proliferation Treaty (NPT), as well as the Treaty of Rarotonga and one of the consequences of a successful Chinese invasion of Taiwan would likely be a collapse of the NPT and the end of nuclear non-proliferation in general.¹⁴ Even in the face of an aggressive China, it is certain that a substantial majority of Australians would not support the acquisition of nuclear weapons.

Under these circumstances, Rod Lyon argues that it is highly likely that Japan and South Korea would abandon their own commitments to the NPT, especially if a U.S. defeat by China, or a failure by the United States to respond effectively to a Chinese challenge, were to undermine the efficacy of U.S. extended nuclear deterrence in general.¹⁵ Australia would be in good company in facing an emboldened, nuclear armed China intent on imposing its will across the Indo-Pacific, and in such an environment, the possibility of 'nuclear sharing' could emerge which could see Australia developing alternative

¹²Department of Defence, *Defending Australia in the Asia-Pacific Century: Force 2030*, 2009, at https://www.defence.gov.au/sites/default/files/2021-08/defence_white_paper_2009.pdf.

¹³Department of Defence, *2020 Defence Strategic Update*, 2020, at <https://www.defence.gov.au/about/publications/2020-defence-strategic-update>.

¹⁴Rod Lyon, 'Australia, nuclear weapons and America's umbrella business', *The Strategist*, 9 July 2019, at <https://www.aspistrategist.org.au/australia-nuclear-weapons-and-americas-umbrella-business/>.

¹⁵Rod Lyon, 'Two concepts of nuclear sharing', *The Strategist*, 24 January 2018, at <https://www.aspistrategist.org.au/two-concepts-nuclear-sharing/>.

extended deterrence arrangements with Tokyo, India and even potentially with Seoul, in which all partners could collaborate on quickly establishing nuclear cooperation towards credible deterrent capability to give Beijing pause for thought in any further adventurism. All four states—Australia, India, South Korea and Japan—would need to respond to a drastically changed strategic environment, dominated by a Chinese hegemon, and thus would have incentive to support such an arrangement. Under a nuclear sharing arrangement, Australia may not necessarily acquire the weapons, but could contribute other elements of a deterrent, for example, command and control networks and missile early warning systems, or supporting technologies for delivery systems.

Setting aside the issue of alternative approaches to ensuring extended nuclear deterrence against China, Australia would certainly be forced to consider expanding its conventional capabilities to deter and if necessary, respond to Chinese coercive pressure that could occur in both traditional overt forms of forward deployed air and naval operations near Australia's maritime and air approaches, or the use of grey zone operations and political warfare. Most of Australia's military capabilities are sourced from the United States and operated alongside the U.S. military. Key military capabilities for RAAF air combat capability (the F-35A Joint Strike Fighter, F/A-18F and EA/G-18, E-7A Wedgetail and P-8A Poseidon, as well as future capabilities) and standoff weapons such as the AGM-158C Long-range Antiship Missile (LRASM), AGM-158B Joint Air to Surface Missile-extended range (JASSM-ER), and BGM-109 Tomahawk Land Attack Missile (TLAM) will rely heavily on U.S. support to function. Royal Australian Navy vessels are inherently based around compatibility with U.S. systems, including the Aegis combat system on RAN naval surface combatants, as well as SM2 and SM6 naval air defense missiles. Australian Army capabilities such as the M1-A2 SEPv3 Main Battle Tank, as well as Precision Strike Missile (PrSM) and HIMARS battlefield rockets are being acquired from the United States, and the loss of access to technology supply chains would quickly see the ability of the ADF force sustainment drop off.¹⁶

Once again, the implications of a successful Chinese invasion of Taiwan for Australia's ability to sustain its armed forces depends very much on the context of the U.S. role in the Indo-Pacific after such an event. As noted above, it's entirely possible that the United States would intervene, and potentially even fight a protracted war against Beijing, in which case continued US supply chains could possibly remain in place, especially if operations by significant U.S. forces were undertaken from Australian facilities. However, in any case, it is in Australia's interests to strengthen sovereign defense production of key capabilities to safeguard against disrupted supply chains, be it as a result of a U.S. strategic retrenchment from the Indo-Pacific in a worst-case scenario of a failure to intervene, or as a result of a failed intervention, or as is more likely, the prospect for on-going and protracted war against China in the aftermath of a successful Chinese invasion of Taiwan. Australia is taking steps to expand its ability to locally produce advanced guided weapons after the former Morrison Government's announcement of a Sovereign Guided Weapons and Explosive Ordnance Enterprise (GWEO), which will see AUD\$1 billion invested into establishing sovereign production alongside strategic partners Raytheon Australia and Lockheed Martin Australia, as well as Australian defense consortiums.¹⁷

In addition to sovereign guided weapons production, it would make sense for Australia to move quickly to build on decisions at the 2021 AUSMIN dialogue for expanding U.S. military access to Australian defense facilities, and to consider the practical aspects of supporting U.S. military operations from Australian soil. This would be especially crucial in the aftermath of a failed U.S. military intervention that saw China remain in control of Taiwan and become more assertive and aggressive across the east Asia region. The AUSMIN 2021 dialogue considered new steps in force posture cooperation, including enhanced air cooperation via rotational deployment of U.S. aircraft; additional training exercises; maritime cooperation through increased logistics and sustainment capabilities of U.S. Navy surface vessels and submarines; and additional land exercises; as well as establishing a combined logistics, sustainment and maintenance enterprise to support high-end warfighting and combined military

¹⁶Malcolm Davis, 'More work needed but precision strike missile a good fit for the Australian Army', *The Strategist*, 18 August 2021, at <https://www.foreignaffairs.com/articles/china/2022-06-16/consequences-conquest-taiwan-indo-pacific>.

¹⁷Marcus Hellyer, *Cracking the missile matrix*, ASPI, 22 April 2021, at <https://www.aspi.org.au/report/cracking-missile-matrix>; Department of Defence, 'Sovereign guided weapons and explosive ordnance enterprise', <https://www.defence.gov.au/project/sovereign-guided-weapons-and-explosive-ordnance-enterprise>.

operations.¹⁸ These are important steps, but the prospect of a successful Chinese invasion of Taiwan—and the potential for further Chinese adventurism beyond such an invasion—would suggest that it is important for Australia to consider offering permanent basing of U.S. military forces in Australia. This could include expanding the number of U.S. Marine Corps and Army personnel in the north, offering basing facilities for long-range USAF bombers, and homeporting U.S. Navy nuclear submarines. The opportunity to home port U.S. Navy SSNs would also contribute towards assisting Australia to transition to its own SSNs under the 2021 AUKUS agreement, whilst basing USAF bombers such as the B-21 Raider could open a path for future acquisition of the aircraft by the RAAF, perhaps also under AUKUS as part of enhanced strike capability development. These are steps that need to be considered now, but which would become even more important in the event of a successful Chinese invasion of Taiwan, as Australia would offer a means for the United States to remain engaged in the Indo-Pacific, even if as a consequence of Chinese military action against key U.S. bases such as Okinawa and Guam, it needs to redeploy assets from a greater distance.

The goal of strengthening Australian defense cooperation with ASEAN after a successful Chinese invasion of Taiwan would be challenging to achieve. It's likely that ASEAN's approach to relations with China could seek to avoid confrontation and may instead seek to maintain a neutral or non-aligned position. This could remain in place, even in the face of China engaging in coercion of other states following a successful invasion of Taiwan and added pressure by Beijing in regard to the achieving its control over the South China Sea, particularly if the United States and its allies chose not to assist Taiwan. The implications of China's actions, and the context in which the invasion occurs, would shape any ASEAN response to Beijing, including the likelihood that the ASEAN states would seek to remain neutral. Although strengthening defense cooperation between Australia and ASEAN states would be an obvious step following a successful invasion of Taiwan by China, it's not clear that all ASEAN states would shift from their stance of non-alignment, with some ASEAN members seeking to maintain close relationships with Beijing, and with the issue of Taiwan's status largely being seen in China's favor.

Conclusions and Recommendations

Considering the scenario of a successful Chinese invasion of Taiwan is inherently a speculative exercise and trying to predict the implications for Australia of this scenario happening is equally speculative. But certainly, much would depend on how the United States and its allies responded to such an act. The scenario of a failure of the United States and its allies to intervene would generate a highly permissive environment for Beijing from which it could expand its influence and presence as well as coerce other opponents, notably, Japan as well as Australia. In the scenario where the 'United States blinks first', Australia would be far more insecure as it faced an emboldened and assertive China that sensed weakness and lack of resolve from what it considers to be a declining power. A lack of U.S. response would reinforce Beijing's perspective that U.S. decline is being matched by China's rise, which ultimately eclipses U.S. strategic primacy in the Indo-Pacific and cements a new China Century. Beijing would have little inhibition in seeking to quickly shape a new regional order, and pressuring Australia to accommodate its interests.

As noted in this paper, there is uncertainty—some degree of strategic ambiguity—about any U.S. response to a Chinese invasion of Taiwan, and domestic economic and political, as well as external factors related to global security risks could generate a reticence to intervene. The rapid modernization and expansion of the PLA, that is eroding traditional areas of U.S. military-technological advantage, and the possibility of China emulating Russia in using implicit and explicit nuclear threats in a crisis, could add to U.S. caution, such that any intervention is simply too little, too late. In the scenario where China invades Taiwan, and the United States and its allies intervene but fail to defeat China's actions, the outcome could be the prospect of a substantial U.S. defeat—reinforcing a perception of U.S. decline—or the possibility of a protracted high intensity war between China and the United States and its allies. For Australia, both scenarios are dangerous. A failed intervention that results in a loss of U.S. credibility, and the potential for protracted high intensity war, suggest an equally adverse security outlook for Australia, equal to the risk of no intervention at all. With that in mind, the following recommendations should be considered.

¹⁸Department of Foreign Affairs and Trade, 'Joint Statement Australia-U.S. Ministerial Consultations (AUSMIN) 2021', at

<https://www.dfat.gov.au/geo/united-states-of-america/ausmin/joint-statement-australia-us-ministerial-consultations-ausmin-2021>.

Firstly, the Australian strategic and defense policy community need to address the possible scenario of a successful Chinese invasion of Taiwan, and do so urgently, and in a serious manner. Hoping for the ideal outcome—a Chinese acceptance of the status-quo across the Taiwan Straits indefinitely—is the least likely scenario—and hope is not a strategy. In consultation with the United States, Japan, and other key partners, there needs to be a serious discussion about the threat of a cross-straits invasion by China within this decade, that includes the risks of maintaining a continued U.S. ‘strategic ambiguity’ policy. Strategic ambiguity as policy worked well in the past, when it was clear that China lacked the means and did not have the incentive to invade. However, it is very clear that Beijing is modernizing the PLA in a manner to prepare for an invasion of Taiwan, and a peaceful resolution of the cross-straits dispute is receding. Strategic ambiguity on the one hand avoids antagonizing Beijing into launching an attack, but on the other hand, the uncertainty generated by this policy may be conducive to Beijing calculating a lack of U.S. resolve, even in the face of growing challenges by PLA operations such as regular intrusions into Taiwan’s ADIZ. Beijing may take strategic ambiguity to mean strategic reluctance. At the very least, the United States and its allies need to edge-away from such a posture, with President Biden’s recent statements suggesting his willingness to support Taiwan military opening an opportunity for renewed debate. Certainly, that debate must consider the implications of either not intervening in a crisis, or the costs of a failed intervention. Preparation for this scenario in developing new defense capabilities, military strategy, force postures and ensuring an ability to sustain high intensity operations in protracted war should be a key goal in any discussions.

Secondly, Australia should accelerate the establishment of a Guided Weapons and Explosives Ordnance Enterprise (GWEO) and begin producing essential capabilities needed for greater self-reliant deterrence of a major power, as well as for supporting the United States and other key security partners in ensuring combat sustainment, including for high intensity protracted war.

Thirdly, Australia should move quickly to facilitate greater U.S. military access to Australian facilities, particularly in northern Australia, as agreed under the 2021 AUSMIN talks, and in coordination with the Albanese government’s proposed force posture

review for the ADF. This discussion should not be limited to a focus on mainland Australia, but also consider how the ADF and the United States military, as well as the armed forces of key partners such as Japan and South Korea, could better coordinate and operate together within the Indo-Pacific. For example, how reciprocal base access between Japan and Australia can evolve to support integrated and coalition operations to deter and if necessary, defend against Chinese operations in the event of a successful invasion of Taiwan should be considered. Fourthly, Australia needs to ensure that U.S. extended nuclear deterrence security guarantees are strengthened, and that U.S. nuclear posture, and particular, the efficacy of its deterrence posture, are not eroded by the prospect of Chinese-Russian nuclear coordination. Russia has effectively demonstrated a willingness to use implicit and explicit nuclear threats to constrain NATO willingness to intervene in Ukraine, and even limited their risk appetite below the threshold of intervention. China will learn from Russia’s experience and likely employ implicit and explicit nuclear threats in a Taiwan crisis.

It’s vital that U.S. extended nuclear deterrence remain firmly in place, and Australia needs to consider how it can directly burden share, beyond measures already taken (such as hosting the Joint Facilities), to strengthen U.S. extended nuclear deterrence. One possible step that Australia could take in regards to strengthening U.S. extended nuclear deterrence would be an expansion of hosted facilities to support U.S. Strategic Command (STRATCOM) on its soil, as well as consideration for hosting conventionally armed prompt-strike ballistic missiles. This was raised by the former Trump Administration at the 2019 AUSMIN dialogue but was rejected by the then Prime Minister Malcolm Turnbull and Defence Minister Marise Payne. That rejection was rushed and premature at the time, and as Australia’s strategic outlook continues to deteriorate, the issue should be revisited under the 2021 AUKUS agreement, by the Albanese Labor Government. Strengthening U.S. extended nuclear deterrence is vital, and any failure of U.S. extended nuclear deterrence would see a much greater risk of Chinese coercion in the Indo-Pacific, and Russian coercion against NATO. Other states would watch any failure of U.S. resolve in relation to Taiwan, and any weakening of U.S. extended nuclear deterrence security guarantees with interests, and would-be nuclear proliferators such as North Korea and Iran would see such a development as giving them carte

blanche to more aggressively pursue nuclear capabilities, and to utilize those capabilities for coercion, in much the same way that Russia under Putin has employed implicit and explicit nuclear threats against NATO.

3

China's Takeover of Taiwan Would Have a Negative Impact on Japan

Matake Kamiya

The fall of Taiwan into China's hands is a worrisome prospect for many countries, especially liberal democracies. For most, however, it is an event far from home. Not so for Japan. Taiwan is located right next to Japan's Okinawa Prefecture, only 110 kilometers away from Yonaguni Island, Japan's westernmost island. The consequences of Taiwan falling into China's hands will be far more direct for Japan than for any other country. When the late former Prime Minister Shinzo Abe, in an online address at a symposium held in Taiwan on December 1, 2021, stated that "A Taiwan contingency is a contingency for Japan,"¹ he pointed out an inescapable geographic reality. If, as a result of that contingency, the status quo in Taiwan were to change and Taiwan were to come under Chinese control, it would change Japan's security environment fundamentally.² Any discussion of the implications for Japan of Taiwan's fall should have this fact as its starting point.

This discussion should also start with an appropriate perception of the size of Taiwan.³ Taiwan is a political entity with considerable economic and military size, even though it is not recognized as a sovereign state by most countries in the world, including Japan. Taiwan is roughly equal in geographic size to Kyushu Island, the third largest of Japan's four main islands and located closest to Taiwan, with population of about 23 million, much larger than Kyushu's 13 million. Taiwan's population is highly educated and competent; Taiwan's gross domestic product (GDP) is the 22nd largest in the world, on par with G20 countries. Taiwan has an armed forces of approximately 200,000 personnel and a capable defense industry to support it.

Another factor is Taiwan's location. Taiwan has a pivotal position within the first island chain.⁴ The island's eastern coast faces directly into the Western Pacific Ocean, while its southern side faces the Bashi Channel, the northern gateway to the South China

Sea. In addition, as long as the island is friendly to Japan, Taiwan separates the East and South China Seas.⁵ Once Taiwan is in China's hands, the East China Sea, Taiwan Strait, South China Sea, and Western Pacific will become a series of contiguous waters that China can use freely.⁶

Japan's security policy since World War II has been built on the premise that Taiwan is on Japan's side.⁷ If Taiwan were to be taken by China, however, it would mean that for the first time since the end of the Sino-Japanese War in 1895, Japan would face a potentially hostile Taiwan.⁸ With Chinese forces advancing into the Pacific, that could lead to a significant reduction in U.S. naval and other military influence and presence in the region.

The purpose of this paper is to consider the implications for Japan of Taiwan's fall to China's with these considerations in mind. The initial research for this study revealed that no prior Japanese studies exist on this topic. This chapter, therefore, is based on interviews with Japanese security and economic experts as well as government officials who are knowledgeable about the significance of Taiwan for Japan.⁹

Two Scenarios Under Which Taiwan is Taken by China

How could Taiwan fall under China's rule? Given current Taiwanese preferences, it is unlikely that non-military influence operations by China would be sufficient.¹⁰ More likely are the following two scenarios:

- Scenario One: The case in which the United States does not intervene militarily in response to China's military invasion of Taiwan.

¹"Taiwan contingency also one for Japan, Japan-U.S. alliance; ex-Japan PM Abe," *Kyodo News*, December 1, 2021, <https://english.kyodonews.net/news/2021/12/b38433927c1e-taiwan-contingency-also-one-for-japan-japan-us-alliance-abe.html> (accessed on July 23, 2022).

²Interview with Kanehara.

³Interview with Kanehara; interview with Watanabe.

⁴Interview with Iida; interview with Isobe; interview with Ohara.

⁵Interview with Monma.

⁶Interview with Monma.

⁷Interview with Koda.

⁸Interview with Koda.

⁹A list of interviews conducted by the author can be found at the end of this paper. In the footnotes, each interview is denoted by the form such as "interview with Kanehara."

¹⁰For example, the vast majority of people of Taiwan now consider themselves Taiwanese and not Chinese. According to a poll conducted by Taiwanese Public Opinion Foundation conducted July 19-21, 2021, 76.8% of the respondents identified themselves as Taiwanese, while 7.5% identified as Chinese, and 11.3% identified as both Taiwanese and Chinese. Taiwanese Public Opinion Foundation, "Special Report: Taiwanese National Identity and the Shifts in Support for Unification vs. Independence," August 11, 2021, pp. 3-4. Kinzo Watanabe says that, through his over five years' experience in Taiwan as "Japan's *de facto* military attaché," he has come to believe it unlikely that Taiwan will fall into China's hands solely because of China's non-military information operations. Interview with Watanabe.

- Scenario Two: The case in which the United States intervenes militarily but is defeated, and Taiwan is taken by China.

Neither scenario is worse than the other for Japan. The outcome would be equally bad, except on the following two points.

U.S. Credibility

In the case of the scenario one, Southeast Asian countries are likely to give up on the United States. In Japan and South Korea as well, confidence in the alliance with the United States will plummet.¹¹

In the case of the scenario two, the U.S. willingness to help regional countries in the event of contingencies would be a positive, but a U.S. defeat by China would raise concern. Many would question the U.S. ability to defend them, and many would likely shift their allegiance to China. In Japan, too, the U.S. failure to defeat China would damage confidence in the U.S.-Japan alliance.¹²

Whether Japan is Attacked During the Taiwan Contingency

In the case of the scenario one, Japan would likely not intervene militarily on its own. Since Japan did not take any military action, China is likely to refrain from attacking Japan.¹³

In the case of the scenario two, Japan would likely conduct logistical and other support activities for U.S. forces based on the U.S.-Japan alliance, which would be seen by Beijing as a hostile action against China. China will likely launch attacks on U.S. bases in Japan and bases of the Self-Defense Forces, as well as non-kinetic attacks including cyberattacks against Japan. Therefore, Japan cannot avoid suffering tremendous damage during the contingency. The failure of the United States to defeat China despite Japan's great sacrifice would seriously undermine Japan's confidence in the U.S.-Japan alliance. In this case, the trust of other countries in the region toward the United States will also be gravely damaged.¹⁴

In this case, however, the United States may take the defense of Japan more seriously than before, believing that it would be a disaster for its interest if

Japan, following Taiwan, were to go over to China's side. If Japan responds to this, there is a possibility that the United States and Japan would move in unison to strengthen and rebuild their alliance.¹⁵ However, it is not clear how effective the strengthening of the U.S.-Japan alliance can be in countering China, given the significant decline in faith in U.S. capabilities among the countries in the region expected under this scenario.¹⁶

Neither of these two scenarios is very favorable to Japan. In scenario one, Japan would not be attacked during the Taiwan contingency, but after the contingency, confidence in the willingness of the United States to be a regional security provider would be seriously damaged among countries in the region, including Japan. In the scenario two, Japan would suffer serious military damage by China's attack. While there is a possibility that Japan and the United States may work together to reenforce the alliance after this contingency, it is doubtful that this would have the desired effect in the face of the heightened doubts about U.S. capabilities that would be growing among the countries in the region.

In either scenario, Japan would be severely negatively affected by the consequence of China's seizure of Taiwan. This paper will now analyze the negative impacts on Japan if Taiwan falls into China's hands.

Value of Taiwan for Japan

To understand what negative impact the fall of Taiwan would have on Japan, it is first necessary to know what value Taiwan currently brings to Japan. As will be shown, Taiwan's presence on the side of Japan and the United States has brought various benefits to Japan in terms of security, economy, and values and ideals.

Constraining the Chinese Military from Coming Out to the Pacific Ocean

As long as Taiwan is not under Chinese control, China's exit to the Pacific Ocean is limited to the following routes: from the Taiwan Strait through the Bashi Channel, from the East China Sea through the Miyako Strait and other channels in the Nansei Islands of Japan, and from the Sea of Japan through

¹¹Interview with Monma.

¹²Interview with Monma.

¹³Interview with Monma.

¹⁴Interview with Monma.

¹⁵Interview with Kanehara; interview with Monma.

¹⁶Interview with Monma.

the Tsugaru Strait or the Soya Strait.¹⁷ The fact that all these corridors are under surveillance by Japan and the United States is constraining China's military activities in the Pacific. Thus, the existence of Taiwan limits China's approach to and pressure on Japan from the Pacific Ocean.¹⁸ Taiwan's existence also limits China's access to U.S. military bases in Guam and Hawaii, which have been playing critical roles for the peace and stability of the Western Pacific, including for Japan.¹⁹

Restrict Chinese Military Activities in the East China Sea, Taiwan Strait, and South China Sea

As mentioned, the East China Sea and the South China Sea are "separated" to a significant degree by the presence of Taiwan. The existence of Taiwan and the fact that Taiwan has its side of the Strait under its control considerably constrains Chinese military activities in this sea area.²⁰

Taiwan as the Focal Point of China's Military Planning and a Top Priority Target for Chinese Military Activities

For Japan, one of the major advantages of the existence of a friendly Taiwan is that China's military planning and activities prioritize Taiwan, not Japan. As long as the main part of Chinese military forces are drawn to Taiwan, its military power directed against Japan remains limited.²¹

Importance of Taiwan in Ensuring the Security of Japan's Major Sea Lanes of Communications

A friendly Taiwan is crucial for maintaining freedom of navigation in the Bashi Channel, the northern gateway to the South China Sea; it's a pivotal point since Japan's major sea lanes of communication which go through the South China Sea merge there and head toward Japan. As long as Taiwan remains a de facto self-governing entity not under direct rule of Beijing, China's influence over the Bashi Channel remains limited. This is a major plus for ensuring the security of Japan's maritime transportation routes

through the South China Sea, which is widely regarded as a lifeline for Japan.²²

Taiwan as a Major Trading Partner for Japan

Economic relations between Japan and Taiwan are deep and close. Taiwan represents one of the most important trading partners for Japan, behind only China, the United States, and South Korea. In 2021, Japan's exports to Taiwan were \$56,103 million and imports were \$29,208 million, resulting in a substantial trade surplus for Japan.²³

Importance of Taiwan's Semiconductors for Japan

Taiwan is arguably the most important semiconductor supplier for Japan. The island plays a pivotal role in semiconductor manufacturing globally, leading the world in particular in the production of cutting-edge semiconductors. In 2021, 46.7% of Japan's semiconductor imports came from Taiwan. Japan depends heavily on Taiwan for high-performance logic semiconductors that cannot be manufactured in Japan. Currently, 33% of the semiconductors used in Japan are imported from Taiwan.²⁴

Significance of Taiwan in Terms of Values and Ideals

Liberal democracy has taken root in Taiwan. Ethnic Chinese have succeeded in flourishing a democratic political system in such a large political entity. The demonstration effect on China and the international community is profound.²⁵

Taiwan, as it stands on Japan's side, brings to Japan a variety of values and benefits as explained above. As will be seen in the next section, however, if Taiwan falls into China's hands, these values and benefits will be lost or significantly reduced for Japan.

Value of Taiwan for Japan

To understand what negative impact the fall of Taiwan would have on Japan, it is first necessary to

¹⁷Interview with Watanabe.

¹⁸Interview with Isobe.

¹⁹Interview with Isobe.

²⁰Interview with Monma.

²¹Interview with Monma; interview with Watanabe.

²²Interview with Kanehara; interview with Monma.

²³"Taiwan: Gaikyou, Kihon-Toukei (Taiwan: Overview and Basic Statistics)" JETRO (Japan External Trade Organization) website, updated

July 29, 2022, https://www.jetro.go.jp/world/asia/tw/basic_01.html (accessed on August 26, 2022).

²⁴Takahide Kiuchi, "Taiwan-Yuujii no Keizai Sonshitsu Shisan: Kokunai GDP 1.4% Geraku (Estimate of Economic Loss in Case of Taiwan Contingency: 1.4% Drop in Domestic GDP)," August 4, 2022 Nomura Research Institute website: https://www.nri.com/jp/knowledge/blog/1st/2022/fis/kiuchi/0804_2 (accessed on August 19, 2022).

²⁵Interview with Kanehara; interview with Watanabe.

know what value Taiwan currently brings to Japan. As will be shown, Taiwan's presence on the side of Japan and the United States has brought various benefits to Japan in terms of security, economy, and values and ideals.

Constraining the Chinese Military from Coming Out to the Pacific Ocean

As long as Taiwan is not under Chinese control, China's exit to the Pacific Ocean is limited to the following routes: from the Taiwan Strait through the Bashi Channel, from the East China Sea through the Miyako Strait and other channels in the Nansei Islands of Japan, and from the Sea of Japan through the Tsugaru Strait or the Soya Strait.²⁶ The fact that all these corridors are under surveillance by Japan and the United States is constraining China's military activities in the Pacific. Thus, the existence of Taiwan limits China's approach to and pressure on Japan from the Pacific Ocean.²⁷ Taiwan's existence also limits China's access to U.S. military bases in Guam and Hawaii, which have been playing critical roles for the peace and stability of the Western Pacific, including for Japan.²⁸

Restrict Chinese Military Activities in the East China Sea, Taiwan Strait, and South China Sea

As mentioned, the East China Sea and the South China Sea are "separated" to a significant degree by the presence of Taiwan. The existence of Taiwan and the fact that Taiwan has its side of the Strait under its control considerably constrains Chinese military activities in this sea area.²⁹

Taiwan as the Focal Point of China's Military Planning and a Top Priority Target for Chinese Military Activities

For Japan, one of the major advantages of the existence of a friendly Taiwan is that China's military planning and activities prioritize Taiwan, not Japan. As long as the main part of Chinese military forces are drawn to Taiwan, its military power directed against Japan remains limited.³⁰

Importance of Taiwan in Ensuring the Security of Japan's Major Sea Lanes of Communications

A friendly Taiwan is crucial for maintaining freedom of navigation in the Bashi Channel, the northern gateway to the South China Sea; it's a pivotal point since Japan's major sea lanes of communication which go through the South China Sea merge there and head toward Japan. As long as Taiwan remains a de facto self-governing entity not under direct rule of Beijing, China's influence over the Bashi Channel remains limited. This is a major plus for ensuring the security of Japan's maritime transportation routes through the South China Sea, which is widely regarded as a lifeline for Japan.³¹

Taiwan as a Major Trading Partner for Japan

Economic relations between Japan and Taiwan are deep and close. Taiwan represents one of the most important trading partners for Japan, behind only China, the United States, and South Korea. In 2021, Japan's exports to Taiwan were \$56,103 million and imports were \$29,208 million, resulting in a substantial trade surplus for Japan.³²

Importance of Taiwan's Semiconductors for Japan

Taiwan is arguably the most important semiconductor supplier for Japan. The island plays a pivotal role in semiconductor manufacturing globally, leading the world in particular in the production of cutting-edge semiconductors. In 2021, 46.7% of Japan's semiconductor imports came from Taiwan. Japan depends heavily on Taiwan for high-performance logic semiconductors that cannot be manufactured in Japan. Currently, 33% of the semiconductors used in Japan are imported from Taiwan.³³

Significance of Taiwan in Terms of Values and Ideals

Liberal democracy has taken root in Taiwan. Ethnic Chinese have succeeded in flourishing a democratic political system in such a large political entity. The

²⁶Interview with Watanabe.

²⁷Interview with Isobe.

²⁸Interview with Isobe.

²⁹Interview with Monma.

³⁰Interview with Monma; interview with Watanabe.

³¹Interview with Kanehara; interview with Monma.

³²"Taiwan: Gaikyou, Kihon-Toukei (Taiwan: Overview and Basic Statistics)" JETRO (Japan External Trade Organization) website, updated

July 29, 2022, https://www.jetro.go.jp/world/asia/tw/basic_01.html (accessed on August 26, 2022).

³³Takahide Kiuchi, "Taiwan-Yuui no Keizai Sonshitsu Shisan: Kokunai GDP 1.4% Geraku (Estimate of Economic Loss in Case of Taiwan Contingency: 1.4% Drop in Domestic GDP)," August 4, 2022 Nomura Research Institute website: https://www.nri.com/jp/knowledge/blog/1st/2022/fis/kiuchi/0804_2 (accessed on August 19, 2022).

demonstration effect on China and the international community is profound.³⁴

Taiwan, as it stands on Japan's side, brings to Japan a variety of values and benefits as explained above. As will be seen in the next section, however, if Taiwan falls into China's hands, these values and benefits will be lost or significantly reduced for Japan.

Impact of China's Seizure of Taiwan for Japan

If China seizes Taiwan, the consequences—in political, military, economic, and even in terms of values and ideology—will have serious repercussions for Japan, regardless of how it comes about.

The Impact of a "Hole" Formed in the First Island Chain

If Taiwan is seized by China, a big "hole" will be created in the first island chain in the following ways.³⁵

First, once Taiwan comes under Beijing's control, China's military can advance toward the Pacific Ocean for a distance of about 300-400 km, the combined width of the Taiwan Strait and Taiwan Island, to obtain an outlet to the Western Pacific.³⁶ Another related reality that will emerge if Taiwan falls into China's hands is that the Taiwan Strait will become China's inland sea, and the East China Sea, Taiwan Strait, South China Sea, and Western Pacific Ocean will become one continuous sea where China can freely conduct military activities.³⁷ Consequently, Chinese military activities in the Western Pacific will become noticeably more active than they are at present.

For Japan, this will mean a significant increase in Chinese pressure from the Pacific side.³⁸ Japan's defense posture, however, has currently been based on little anticipation of an attack from the Pacific side. This is clearly demonstrated by the fact that there are

no Self-Defense Force bases or camps on the Izu Islands or the Bonin (Ogasawara) Islands, two groups of islands located in the Pacific Ocean south of Tokyo, except for the small one on Iwo Jima,³⁹ although the ongoing conversion of the destroyer Izumo into a light aircraft carrier is intended to meet the Chinese air threat from the Pacific.⁴⁰

Enhanced freedom of Chinese military activities in the Western Pacific also means increased Chinese pressure on the U.S. base on Guam.⁴¹ Guam plays a critical role in the security and stability in the Western Pacific as well as an essential role for the security of Japan. Any weakening of the effectiveness of that base will have serious negative consequences for Japan. It should be noted here that there is currently no strong defense on the part of the United States and Japan on the Second Island Chain other than Guam.⁴² Second, one of the most important military changes is that Chinese strategic nuclear submarines will be able to exit directly into the Pacific Ocean undetected by the United States. Since the eastern coast of Taiwan faces the deep waters of the Pacific Ocean (about 4,000 meters deep), if Chinese submarines are launched from bases there, it will be hard to detect where they went underwater, making tracking by the United States and Japan difficult.⁴³ This may change the way China's submarine-launched strategic nuclear weapons would operate and could increase the effectiveness of China's nuclear deterrence against the United States.⁴⁴ If this happens, trust among regional countries regarding the extent of U.S. military involvement in the Western Pacific/East Asia may be decreased.⁴⁵ This may also affect the credibility of the U.S.-Japan alliance from Japan's perspective.

Third, Chinese freedom of military activities will increase not only in the Pacific Ocean but also in the South China Sea.⁴⁶ Taiwan coming into China's hands means that the Bashi Channel, the northern gateway to the South China Sea, will be under Chinese control. Currently, China is not able to stop foreign naval vessels from entering the South China Sea. It is building artificial islands to control

³⁴Interview with Kanehara; interview with Watanabe.

³⁵Interview with Iida; interview with Isobe; interview with Ohara.

³⁶Interview with Monma.

³⁷Interview with Monma.

³⁸Interview with Kanehara; interview with Isobe; interview with Ohara; interview with Watanabe.

³⁹Interview with Isobe.

⁴⁰Interview with Murano.

⁴¹Interview with Isobe; interview with Monma.

⁴²Interview with Watanabe.

⁴³Interview with Isobe; interview with Monma; interview with Ohara.

⁴⁴Interview with Ohara; interview with Watanabe. Masashi Murano however disagrees with them, arguing that since China's ICBMs currently deployed on land currently already threaten the United States, even if China's strategic nuclear submarines are based on the eastern coast of Taiwan, the change it will bring about in the nuclear balance between the United States and China should not be overestimated. Interview with Murano.

⁴⁵Interview with Ohara.

⁴⁶Interview with Isobe; interview with Ohara.

incoming naval ships.⁴⁷ However, once it controls the Bashi Channel, it will be able to deny foreign vessels entry into the South China Sea,⁴⁸ leading to an increase in China's influence in Southeast Asia.

Fourth, and as a consequence of these developments, China's military sphere of influence will greatly expand in many directions, centered on the island of Taiwan, toward Japan, the Pacific, and Southeast Asia.

Fifth, for Japan, this will lead to a markedly increased Chinese threat to the Nansei Islands (especially to the Sakishima Islands and the Senkaku Islands). The Nansei Islands will be within the sphere of action of the PLA navy and air force, and under their strong influence.⁴⁹

If missiles with a range of around 500 to 600 kilometers, which are currently based in Fujian Province, are moved to Taiwan, their range will cover as far as the Miyako Strait. The Senkakus will be also within range of such missiles.⁵⁰ Deploying the PLAN Marine Corps on Taiwan will make it easier for China to invade the Sakishima and Senkaku Islands.⁵¹

As for the Senkakus, since they are located only about 170 kilometers from Taiwan, about half the distance from mainland China (about 330 kilometers), Chinese pressure would be greatly intensified if Taiwan were taken.⁵² Some experts believe that, in a Taiwan contingency, China will attempt to first take the Senkakus before seizing Taiwan.⁵³ They believe that Beijing will want to seize the Senkakus before the United States, Japan, or other partners use them to control the East China Sea, for example, by placing an anti-ship missile system there.

Sixth, with regard to the deployment of China's intermediate-range missiles in Taiwan, it will be of little significance in terms of increasing the direct threat to Japan, since a large part of Japan is currently already within the range of about 700 missiles that are deployed in mainland China. The increased threat to U.S. forces in Guam from those missiles, however, would likely have a detrimental effect on Japan's security.⁵⁴ It also cannot be overlooked that Japan will have to consider Chinese medium-range missile attacks from multiple directions—mainland China

and Taiwan—which will increase the difficulty of missile defense.⁵⁵

If Taiwan is seized by China, the military security environment surrounding Japan is expected to deteriorate drastically due to these developments.

Decline of U.S. Prestige and Growth of China's Political Influence in East Asia

If Taiwan falls into China's hands, the international environment surrounding Japan is expected to seriously deteriorate, not only militarily but also politically. Although it is sometimes said that the military balance in the Western Pacific is tipping toward China in terms of the comparison between the military power of the U.S. Indo-Pacific Command alone and China's military power, most Japanese security experts interviewed believe that the United States can prevail against China in a Taiwan contingency if it sends serious reinforcements. If Taiwan is taken by China, these experts would thus believe that the United States did not provide full-scale reinforcements.⁵⁶ Observing this, these experts argue, the confidence of regional countries in the U.S. willingness to commit to regional security will collapse. Many experts also believe that a U.S. military defeat by China will cause many East Asian countries to lose confidence in the ability of the United States to serve as a security guarantor in the region. All agree that a successful Chinese invasion of Taiwan without U.S. military intervention would result in a complete loss of confidence by the countries in the region in both U.S. willingness and capabilities.

Furthermore, China's seizure of Taiwan means that Taiwan's Taiping Island (Itu Aba), the largest of the Spratly Islands, and Pratas Islands, will also be taken by China. Such a situation would most likely cause Southeast Asian countries to feel that they no longer have a chance against China in the territorial disputes in the South China Sea.⁵⁷

As a consequence, Southeast Asian countries are likely to lean toward China like an avalanche.⁵⁸ That will drastically worsen the international environment surrounding Japan. It will become extremely difficult,

⁴⁷Interview with Ohara.

⁴⁸Interview with Ohara.

⁴⁹Interview with Isobe; interview with Monma; interview with Ohara.

⁵⁰Interview with Watanabe.

⁵¹Interview with Watanabe.

⁵²Interview with Monma.

⁵³Interview with Isobe; interview with Ohara.

⁵⁴Interview with Isobe; interview with Koda.

⁵⁵Interview with Iida.

⁵⁶Interview with Ohara; interview with anonymous government official.

⁵⁷Interview with Watanabe.

⁵⁸Interview with Iida; interview with Kanehara; interview with Monma; interview with Watanabe.

if not impossible, for Japan and the United States to promote the ideal of a free and open Indo-Pacific (FOIP).⁵⁹ If South Korea follows such moves by the Southeast Asian countries and shifts to a China-leaning diplomacy, the Indo-Pacific diplomacy of Japan and the United States will face further difficulties.

Impact on the U.S.-Japan Alliance

Most experts interviewed believe that if the United States fails to defend Taiwan, Japanese confidence in the U.S.-Japan alliance will lose ground. All experts interviewed agree that if the United States does not intervene militarily in the Taiwan contingency in the first place, Japanese confidence in the alliance will totally disappear.

However, some experts predict that in the case that the United States intervenes militarily in the Taiwan contingency but loses, the United States and Japan will attempt to re-strengthen their alliance.⁶⁰ Those experts believe that the United States will move to re-strengthen and rebuild the U.S.-Japan alliance, believing that if Japan is “lost” to China, it will be the end of U.S. East Asian diplomacy, and that Japan will respond to U.S. efforts to strengthen the alliance without abandoning it because of its national sentiment of not wanting to give in to China. How effective the alliance can be, even with efforts by two allies to strengthen it again, is doubtful in a situation where many countries in the region have lost confidence in the United States as a regional security guarantor.

Impact on SDF’s Operations in the Indo-Pacific

As the above arguments indicate, if Taiwan is taken by China there will be a marked decline in U.S. influence and presence in East Asia/Western Pacific, while China’s military control in the region will be markedly enhanced. China will become able to deny the navigation of ships of any country it wants to target in the Bashi Channel and the South China Sea, where ships of every country currently enjoy freedom of navigation.

Under such circumstances, Japanese Self-Defense Force (SDF) operations in the Indo-Pacific will not be possible, at least not as they have been up to the present.⁶¹ This represents another reason why the promotion of FOIP by Japan will become extremely difficult, if not impossible, once Taiwan comes under Beijing’s rule.

Impacts on Japan’s Sea Lanes of Communication

The consequences to Japan of Taiwan falling into China’s hands will not be limited to those related to the politico-military security environment surrounding Japan. It is expected to have a significant negative impact on Japan’s economy, as well as the values and ideals that Japan has been emphasizing. Among such effects, the first to be considered are those on the security of Japan’s vital sea lanes of communication.

Japan is an energy-poor country, relying on imports for more than 99% of its crude oil and approximately 98% of its natural gas.⁶² The South China Sea is a vital maritime transportation route for Japan, including imports of such energy. For example, about 90% of Japan’s crude oil imports and 60% of its natural gas are transported through that area.⁶³

The Bashi Channel is the key to the security of Japan’s sea lanes through the South China Sea. None of the sea lanes through the South China Sea can reach Japan without passing through that channel. As was mentioned earlier, if China brings Taiwan under its rule, it will exercise strong control over the Bashi Channel. If this happens, Beijing will be able to stop the passage of Japanese vessels as a punitive measure in the event of unfavorable Japanese behavior toward China,⁶⁴ thus revealing the vulnerability of Japan’s economy which is dependent on these sea lanes. China will also be able to stop the United States from intervening militarily in the South China Sea,⁶⁵ which will inevitably further increase the vulnerability of Japan’s sea lanes.

If freedom of navigation through the South China Sea is reduced or lost, Japanese vessels have the option of taking a more circuitous route that goes through the Lombok and Makassar Straits, and then directs

⁵⁹Interview with Monma.

⁶⁰Interview with Kanehara; interview with Monma.

⁶¹Interview with Isobe; interview with Ohara.

⁶²Figures for FY 2020. Agency for Natural Resources and Energy, *Enerugi Hakusho 2022* (Energy White Paper 2022), June 2022, pp. 82, 85.

⁶³Ken Sasaki, “Chuugoku no Minami-Shina-Kai Shinshutsu to Kokusai-Shakai no Taioiu (China’s Advancement into the South China Sea and the Response of the International Community),” *Rippou to Chousa*, No.378 (July 2016), p. 97.

⁶⁴Interview with Ohara.

⁶⁵Interview with Ohara.

northward far off the eastern coast of the Philippines and Taiwan to reach Japan. The question is whether Japan, by taking such a major detour route, will be able to mitigate the negative impact to a tolerable level. On this point, divergent views are presented by the Japanese security and economic experts interviewed by this author.

Most security experts interviewed see the cost of the "major detour" as extremely high for Japan, emphasizing the following points. First, taking the major detour route takes an extra three days each way. That will substantially increase charter fees and insurance costs to run ships. Second, the extra six days for a round trip means that the number of vessels for sea transportation needs to be increased. For example, crude oil from the Middle East to Japan is transported by piston transport on chartered large crude oil tankers called Very Large Crude Carriers (VLCCs). As the number of days required for a voyage increases, arrival is delayed and the number of chartered VLCCs must be increased to ensure the required volume of oil during normal times. Furthermore, if Japan takes a long way around, China, which has increased its influence and military presence in the region through its occupation of Taiwan, may try to influence that route in various ways in the face of a reduced U.S. military presence. If China interferes with the navigation of Japanese ships taking the major detour route, Japan will face a stark reality that its Maritime Self-Defense Force and Coast Guard do not have enough vessels to escort them.⁶⁶

In contrast, some economic experts and a security expert interviewed are of the view that while taking the major detour route costs considerably more for Japan than the usual route through the South China Sea, it is still tolerable for Japan.⁶⁷ According to those experts, this is because charter fees of ships account for only roughly 10% or less of import prices, and their increase will have only a limited impact on final prices in Japan. They also view that the effect on the final price of imported goods in Japan due to increased insurance costs will also be limited.

Other economic experts take a different view however, due to doubts whether the major detour

can be used in a predictable and stable manner.⁶⁸ According to those experts, in order to be able to view the impact of higher charter fees and insurance costs on Japan as limited and tolerable, one condition needs to be met: the major detour can be taken stably and the associated costs are predictable. However, as security experts point out, if the possibility cannot be ruled out that China will interfere with Japanese vessels taking the major detour route in the face of a reduced U.S. military presence, then the major detour will be subject to great uncertainty.

Taken together, there is no doubt that the possibility of the sea lanes through the South China Sea being obstructed by China will create a much worse environment for the Japanese economy. While it may be possible to limit this cost by taking a major detour route, the possibility that the detour route will be obstructed by China cannot be ruled out. Even if Japan is able to keep the cost to a tolerable level, the cost of being forced to take the major detour route will considerably increase the selling price in Japan, which will be a burden on the Japanese economy and the lives of the Japanese people. To summarize, the negative impact on Japan's economy is expected to be substantial, if not critical.

Impact on Japan's Economic Relations with Taiwan

All the experts interviewed agree that Japan's economic relations with Taiwan will be severely damaged with the fall of Taiwan. It will be painful for the Japanese economy if Taiwan, Japan's fourth largest trading partner, is integrated into the Chinese economy, making it impossible for Japan to maintain the same economic relationship that it currently enjoys.

As economic experts interviewed point out, that may not be a fatal blow for the Japanese economy.⁶⁹ This is because Taiwan-Japan trade, in terms of total value of imports and exports, is only about a quarter of Japan-China trade and two-fifths of Japan-U.S. trade in 2021.⁷⁰ Nevertheless, Taiwan still accounts for about 5 percent of Japan's total trade, and the impact of Taiwan's economy becoming part of the Chinese economy and under Beijing's control will not be small.

⁶⁶Interview with Kanehara.

⁶⁷Interview with Yoshizaki; interview with anonymous economic expert; interview with Koda.

⁶⁸Interviews with anonymous economic experts.

⁶⁹Interview with Yoshizaki; interview with anonymous economic expert.

⁷⁰"Taiwan: Gaikyou, Kihon-Toukei"; "Chuugoku: Gaikyou, Kihon-Toukei (China: Overview and Basic Statistics)" JETRO website, updated August

24, 2022, https://www.jetro.go.jp/world/asia/cn/basic_01.html (accessed on August 26, 2022); "Beikoku: Gaikyou, Kihon-Toukei (The United States of America: Overview and Basic Statistics)" JETRO website, updated June 30, 2022, https://www.jetro.go.jp/world/n_america/us/basic_01.html (accessed on August 26, 2022).

Impact of the World's Most Advanced Semiconductor Supplier Falling into China's Hands

If Taiwan falls into China's hands, Taiwan's semiconductor technology will also fall into China's hands. The economic impact will be serious, but it will not be just for Japan; it will be a critical problem for the entire world. As mentioned before, 33% of the semiconductors used in Japan are imported from Taiwan. Japan depends heavily on Taiwan for high-performance logic semiconductors that cannot be manufactured in Japan. For Japan, the loss of such a large supplier of semiconductors will be a major blow. The global economy will also suffer serious losses. For example, without Taiwan's supply of semiconductors, production of Apple's iPhone and the functioning of Amazon's data centers will not be able to be sustained.⁷¹

In addition, the impact of China's acquisition of Taiwan's cutting-edge semiconductor technology will not only be economic. Taiwan currently accounts for 92% of the most advanced semiconductor manufacturing capacity in the world.⁷² That is the technology that the United States and Japan are trying to prevent going to China, because semiconductor technology is the epitome of dual-use technology.⁷³ If China acquires Taiwanese technology, China will be the producer of the most advanced semiconductors in the world. That will have serious repercussions for the U.S.-China military balance.

Defeat of Democracy Against Autocracy

Finally, the fall of Taiwan will represent a serious loss in terms of values and ideals for Japan and its democratic partners, including the United States. This is because Taiwan is an example of a remarkably successful large-scale democratic polity of ethnic Chinese.⁷⁴ Beijing claims that the democracy espoused by democratic countries including Japan and the United States is based on Western values and ideals and does not fit into Chinese culture. Taiwan is the best rebuttal to this claim. The people of Taiwan are ethnically Chinese and share Chinese culture with mainland China. Despite this, Taiwanese democracy is flourishing in the same form as in

Western countries. The failure by the United States and Japan to defend democratic Taiwan will also impress upon the international community the retreat of liberal democracy and the spread of autocracy in East Asia.⁷⁵

In Lieu of Conclusions

What the discussion and analysis in this paper has made clear is that if Taiwan is taken by China, serious negative repercussions for Japan are expected, and they will likely range from politico-military to economic to values and ideals.

Some American security experts advocate that the United States must be prepared for the case in which Taiwan is taken by China. They insist that the United States needs to consider in advance how it would be able to work with Japan to fight back against China and get Taiwan back.

From Japan's perspective, however, such arguments miss the point. The cost of the fall of Taiwan is prohibitively high for Japan. The fall of Taiwan will also likely seriously reduce confidence in the United States as the guarantor of regional security among the countries in East Asia. Confidence in the U.S.-Japan alliance will also at least be shaken, if not destroyed. From Japan's standpoint, the issue that the United States should give the highest priority is not how to roll back after losing Taiwan, but how to make the necessary preparations for the contingency to avoid being defeated. This requires determination by both Washington and Tokyo. The two allies need to urgently strengthen efforts to obtain cooperation of other like-minded countries in East Asia and beyond as well.

Interviews conducted:

All interviews were conducted online.

- Masafumi IIDA, Head, America, Europe, and Russia Division, Regional Studies Department, National Institute for Defense Studies, June 24, 2022.
- Koichi ISOBE, Lieutenant General (ret.), Japan Ground Self-Defense Force, June 22, 2022.

⁷¹Interview with Yoshizaki.

⁷²Yimou Lee, Norihiko Shirouzu and David Lague, "Taiwan chip industry emerges as battlefield in U.S.-China showdown," Reuters, December 27, 2021, <https://www.reuters.com/investigates/special-report/taiwan-china-chips/> (accessed on August 30, 2022).

⁷³Interview with Kanehara.

⁷⁴Interview with Kanehara; interview with Watanabe.

⁷⁵Interview with Iida; interview with Watanabe.

- Nobukatsu KANEHARA, former Deputy Secretary General of National Security Secretariat and Assistant Chief Cabinet Secretary of Japan, June 18, 2022.
- Yoji KODA, Vice Admiral (ret.), Japan Maritime Self-Defense Force, June 14, 2022.
- Rira MONMA, Director, Regional Studies Department, National Institute for Defense Studies, June 21, 2022.
- Masashi MURANO, Japan Chair Fellow, Hudson Institute, July 22, 2022.
- Bonji OHARA, Senior Fellow, Sasakawa Peace Foundation, June 14, 2022.
- Tatsuhiko YOSHIZAKI, Chief Economist, Sojitz Research Institute, June 22, 2022.
- Kinzo WATANABE, former Chief Director of National Security, Japan-Taiwan Exchange Association; Major General (ret.), Japan Ground Self-Defense Force, June 23, 2022.
- Experts and government officials who agreed to be interviewed on condition of anonymity, June 2022.

4

If Taiwan Falls to China: Implications for the Korean Peninsula

Duyeon Kim

South Korea-Taiwan relations began and were strengthened during the Cold War (1948-1991) as an anti-Communist “blood alliance.”¹ Then in 1973, Seoul became interested in establishing diplomatic relations with China, and in 1992, Taipei severed diplomatic ties with Seoul in response to the South Korea-China normalization communique.² Since then, South Korea and Taiwan have maintained “unofficial relations.”

The broader South Korean public and policy community are not focused on the fate of Taiwan compared to the attention they give to the North Korean nuclear and missile threats and domestic issues regarding their economy and politics. There are sporadic tidbits of news, op-eds, and academic papers about a Taiwan contingency, but even offline conversations about the world are still dominated by Korean Peninsula and alliance matters.

Most politicians and Korean people seem to believe that the Taiwan issue is beyond their own interest, thinking that Taiwan is “not their business.”³ Still, the Russia-Ukraine war has brought to Koreans’ attention that Ukraine, a distant country in a different region, is linked to Koreans’ daily life. Curiosities have been “kindled” as to whether a Taiwan crisis could affect them too. Therefore, the conversation seems to have only just begun on the implications of a Taiwan crisis.⁴

This chapter analyzes the implications of China’s occupation of Taiwan for the Korean Peninsula under two scenarios: 1) Taiwan fell without any U.S. or outside assistance, or 2) Taiwan fell with “too little, too late” U.S. and outside assistance. It is difficult to predict with any degree of certainty how South Korea, the Korean Peninsula, and the U.S.-South Korea alliance will be affected by these two scenarios. There are too many variables in such a future equation, particularly on the question of Seoul’s strategic calculus and subsequent actions.

Still, four general factors and circumstances could affect South Korean thinking and decision-making after Taiwan’s fall: 1) the political party in power (conservative or progressive) as well as whether pro-China South Koreans or survivalist⁵ officials are

governing the country regardless of political party; 2) the state of the U.S.-South Korea alliance relationship including who the president of the United States is and South Korean perceptions of the reliability of Washington’s security commitment; 3) the state of South Korea-China relations; and 4) North Korea’s nuclear weapons capability and strategic calculus.

This chapter finds that the expected core outcomes of Taiwan’s fall for Korea would essentially be the same under the two scenarios—both equally bad in terms of South Korean perceptions and sentiments about U.S. security commitment to them and their interest in obtaining an independent nuclear deterrent. The main difference would be the degree to which South Koreans question U.S. credibility and lose trust in Washington. This, coupled with the four factors mentioned above, would determine Seoul’s decision on how it will achieve its national interests going forward.

The implications for the region and the world would depend largely on China after it takes over Taiwan and whoever is the U.S. president. Three general outcomes are conceivable. On the one hand, Beijing could become even more aggressive, assertive, and coercive in the region because it assumes China has obtained regional hegemony. This could lead to the complete end to the liberal international order or a tense confrontation between liberal democracies and authoritarian regimes. On the other hand, Beijing could engage in a charm offensive or smile diplomacy toward its Asian neighbors out of fear of becoming isolated from the international community. This could lead to a grand compromise between the United States and China on the future order of the region or further degradation of the liberal international order. While any of the above outcomes is possible, the likelihood of one over the other may depend on Chinese President Xi Jinping’s world view and China’s economic situation. A constant outcome in any case could be an emboldened, coercive North Korea.

This chapter begins with an overview of South Korean concerns about a Chinese invasion of Taiwan. The second section discusses the implications of Taiwan’s fall for regional and global security and stability. The third section analyzes the implications

¹Chaewon Lee and Adam Liff, “Reassessing Seoul’s ‘One China’ Policy: South Korea-Taiwan ‘Unofficial’ Relations after 30 Years (1992-2022),” *Journal of Contemporary China*, 2022.

²Ibid.

³Interviews of South Korean experts, May-June 2022.

⁴Interview of Korean expert on China, May 2022.

⁵The author defines “survivalist” as individuals whose actions and decisions are motivated by a fundamental goal to survive economically and politically, thereby aligning themselves with the most powerful country to ensure their own professional survival and their country’s survival. In geopolitics, it would mean that a country would align with and join forces with the most powerful country or hegemon in the region or world.

for South Korea and the U.S.-South Korea alliance. The final section outlines policy recommendations. The study presented here relies heavily on interviews of Koreans across a wide spectrum—current and former government officials, former military commanders, scholars, media, and businesspeople—because of the lack of data for a topic that has not yet entered the mainstream South Korean discourse. Interviews were largely conducted on an off-the-record basis to facilitate candor on a topic that is sensitive for most South Koreans.

South Korean Concerns About a Chinese Invasion and Takeover

While the focus of this study is on the implications after Taiwan has fallen to China, South Koreans are just as concerned, if not more, about a Taiwan contingency itself—more specifically, the crisis period of a Chinese invasion that precedes Beijing's control over Taiwan. The events leading up to a takeover have a direct impact on South Korea's security and threat perceptions that would then shape Seoul's subsequent actions after Taiwan has fallen. Therefore, the implications for the Korean Peninsula begin at the start of a China-Taiwan conflict.

The first three questions that would simultaneously arise in the minds of South Korean policymakers, politicians, experts, and media would be 1) whether and how many U.S. military troops stationed on the Korean Peninsula would be deployed to deal with the Taiwan crisis, 2) whether the South Korean military would be required or asked to assist the United States, and 3) how North Korea would react.

On the first question, there is a debate on whether Washington would deploy its troops in Japan or South Korea to the Taiwan crisis. Some scholars argue that U.S. Forces Japan would be the only troops sent to Taiwan. The biggest concern for most, if not all, South Koreans is the prospects for Korea-based U.S. soldiers (called U.S. Forces Korea) being deployed to the Taiwan Strait. If so, a sense of abandonment would spike and dominate in South Korea, leading to grave security concerns about the possibility that North Korea could take advantage of a Taiwan crisis by threatening, attacking, or even invading South Korea. Some South Korean experts

claim that Pyongyang could either assist Beijing's invasion of Taiwan by attacking U.S. bases in South Korea and Japan to prevent U.S. forces in the region from being deployed to Taiwan thanks to its recent drive to develop tactical nuclear weapons.⁶ Or, North Korea could see it as an opportunity to finally reunify the Peninsula with force by invading South Korea.

If U.S. Forces Korea were deployed to Taiwan, South Koreans would believe that there is no guarantee that Washington would protect their country because of limited U.S. resources and attention. Therefore, South Korean voices calling for their country's own nuclear weapons development could erupt across political lines and become the mainstream view. Then, the United States would likely place tremendous pressure on Seoul not to cross the nuclear threshold.⁷ The international community including key European countries would join Washington in persuading Seoul against nuclear weaponization. Some anti-nuclear voices might argue that Washington does not even allow South Korea to produce its own nuclear deterrent when alliance relations are good and that the United States would see South Korea as a "gangster and not an ally" if it considered going nuclear during a Taiwan crisis.⁸ But most South Koreans interviewed believe that this crisis scenario would lead to a near-national consensus for South Korea to obtain its own nuclear deterrent. Until now, proponents of indigenous nuclear weapons have been voiced mostly by conservative South Koreans.

The biggest variables and caveats in South Korea's sense of abandonment would be the social atmosphere of the time, the political party in power, and the strength of China's power.⁹ If South Korea is governed by a progressive administration, whose political leadership and supporters tend to be pro-China in the case of the previous Moon Jae-in government (2017–2022), and South Korea-China relations are good, then policymakers may not feel pressured by pro-nuclear voices in the broader South Korean public. While pro-China South Koreans also exist in the broader conservative base as well, a conservative administration is more likely to consider its nuclear options.

Nevertheless, there are still two possible pathways to a simultaneous conflict on the Korean Peninsula. One

⁶Interview of Professor Choo Jae-woo, Kyung-hee University, June 2022.

⁷Interview of a former South Korean career diplomat, June 2022.

⁸Interview of former career diplomat, June 2022.

⁹Interviews of South Korean government official and subject-matter expert, June 2022.

pathway involves North Korea potentially attacking U.S. bases in South Korea to assist Beijing's invasion of Taiwan. Although the likelihood is debated among experts, it would be regarded as an attack on South Korea, which would respond militarily. Another pathway involves the prospect that any military movement by Pyongyang—whether its intention is to assist Beijing or reunify the Peninsula—could lead the South Korean military to preempt North Korean missiles launches, which could escalate into a conflict on the Korean Peninsula as well. However, some South Korean scholars like Kyung Hee University Professor Choo Jae-woo suspect Beijing might even consider targeting U.S. bases in South Korea (and Japan) to terminate logistical supply and launch sites with missiles to prevent U.S. troop deployments.¹⁰

On the question of South Korea's military involvement in a Taiwan crisis, most policymakers, politicians, experts, and media would wonder and worry that the United States might request Seoul's assistance as a key ally or request it by invoking the U.S.-South Korea Mutual Defense Treaty.¹¹ The basis for this view is that South Korea is a key democratic ally of the United States in close proximity to the conflict and Washington could request assistance from either South Korean combat troops or of weapons and humanitarian aid similar to that of the current Ukraine crisis. While South Korean soldiers participated in the Vietnam War, many South Koreans argue with concern that a Taiwan crisis is different because they might need to fight China, which is far different from Vietnam.¹²

South Koreans would also perceive that a Chinese invasion of Taiwan would be followed immediately by a war between the United States and China. The basis of this belief would be that if China attacks a U.S. aircraft carrier or ship in the region because it perceives Washington is preparing a military response against Beijing's invasion of Taiwan or, more directly, if a U.S. aircraft scrambles from its base in Pyeongtaek and engages Chinese forces, this would draw a Chinese attack on South Korea.¹³ A Chinese attack on Pyeongtaek would also imply the

beginning of a South Korea-China conflict. In any of these circumstances, South Koreans would question and be concerned that the United States might invoke their mutual defense treaty, which states that "neither party is obligated ... to come to the aid of the other except in the case of an external armed attack against such party."¹⁴

The South Korean public is expected to oppose its military's involvement regardless of the circumstances in which South Korea's combat troops are asked to assist in a Taiwan crisis.¹⁵ While scientific data or opinion polls are currently absent, the widespread belief based on an understanding of public sentiment today is that progressives (approximately 30% of the population) would oppose, moderates (approximately 40% of the population) would wonder why South Korea needs to get involved, and conservatives (approximately 30% of the population) would wonder why South Koreans have to shed blood for "someone else's battle" if geopolitical and economic circumstances remain similar to what they are today.¹⁶

Therefore, the circumstances and turn of events until China successfully takes over Taiwan as well as the geopolitical and regional security landscape after Taiwan falls would determine South Korea's future decisions.

Implications for Regional and Global Security and Stability

China's successful takeover of Taiwan would likely change the balance of power in Asia, potentially resulting in a region that looks very different from the past several decades. The United States could lose its supremacy in the region to China and its global leadership would take the largest hit because Asian countries would believe that Washington was unable to protect them and the democratic political system.

The likely result would be a serious blow to America's alliances in the region, causing Asian countries to strengthen their own defenses—

¹⁰Interview of Choo Jae-woo, Professor of Chinese Foreign Policy, Kyung Hee University, June 2022.

¹¹Interviews of current and former South Korean officials and experts, June 2022.

¹²Interview of a former South Korean career diplomat, June 2022. South Korea also sent troops to Iraq but they were involved in reconstruction.

¹³Interviews of former South Korean officials and experts, June-July 2022.

¹⁴Interview of a former career diplomat, June 2022; See also: "Mutual Defense Treaty Between the United States and the Republic of Korea;

October 1, 1953,"

https://www.usfk.mil/Portals/105/Documents/SOFA/H_Mutual%20Defense%20Treaty_1953.pdf. South Koreans would have the same concern if Washington invoked their Treaty in the event that a U.S. aircraft or ship was attacked by China out of misperception during a regular freedom of navigation drill in the Pacific without provoking Beijing.

¹⁵Interviews of South Korean former diplomats, experts, and media, June 2022.

¹⁶Interview of a former South Korean career diplomat, June 2022.

including igniting a serious discussion in Asian allies at the government level to produce their own nuclear weapons despite U.S. political rhetoric and pledge of its security commitments to them. A dangerous arms race could follow. More specifically, China's naval power would expand into the Western Pacific because the middle link (Taiwan) in America's defense perimeter in Asia would be broken.¹⁷ China would be in a better position to interfere with U.S. naval and air operations in the Philippine Sea and Washington's ability to defend its Asian allies.¹⁸ South Korea and Japan could become militarily isolated, besieged islands of China.¹⁹ Regional security would, in turn, be degraded.

Taiwan's fall could result in China becoming the aggressive and coercive regional hegemon controlling vital sea lanes; or China waging a charm offensive or smile diplomacy toward its Asian neighbors to prevent international isolation.²⁰ In either case, North Korea is expected to become emboldened and more aggressive.

Outcome 1: Aggressive, Coercive Chinese Hegemon

Beijing could coerce South Korea, Japan, Australia, Thailand, and the Philippines to acquiesce to a China-led regional order. U.S. allies would become more vulnerable to Chinese and North Korean coercion and wedge-driving tactics. Northeast Asian waters could also become more confrontational. China might want to control how the sea lanes are operated in Northeast Asia, especially through the Taiwan Strait—including South Korean maritime routes. Some South Koreans believe that their country's goods would still be able to pass through Taiwanese waters because they are still international waters, but that Korean sea routes would need to operate under the influence of China's overwhelming naval military power. However, Beijing now claims that the Taiwan Strait is not international waters.²¹ Other sea lanes would need to be operated amid an acute confrontational structure and atmosphere between China and Japan. Therefore, there would be significant concerns about freedom of navigation

while complicating competing intelligence-gathering efforts in Asia.²²

Tensions could also rise between Japan and China, leading to an intensified U.S.-China rivalry. On the one hand, Washington and Tokyo could redouble their efforts to persuade Seoul to join a coalition of like-minded partners in the region to prevent China's maritime hegemony. On the other hand, a trend might emerge of Asian countries distancing or gradually breaking from the United States because Washington's credibility has been damaged. Japan would likely show stronger solidarity with the United States and perhaps try to convince Seoul to follow suit, depending on the health of Japan-South Korea relations. However, other Southeast Asian nations may become more conscious and wary of China.

Washington's decisions would be determined largely by the worldview of its president. If Trumpism returns, then many Asians expect a more acute confrontation between the United States and China. Even if a Democratic President is in office, strategic competition could become stronger than it is today between democracies and autocracies.

Outcome 2: Chinese Charm Offensive and Smile Diplomacy

Korea University Professor Lee Shin-wha points out that while Beijing could become more aggressive, it might instead choose to wage a charm offensive or smile diplomacy toward its Asian neighbors such as South Korea, Japan, and Southeast Asian countries.²³ The logic would be to prevent international isolation and sanctions—similar to or more severe than that of Russia's current experience with its recent invasion of Ukraine. She points out that Beijing might have achieved its One China goal by taking over Taiwan, but that outcome could lead to China's demise in today's heavily inter-connected world and could be the cause of grave concern for Beijing.

This outcome could tempt allies and partners of the United States to accommodate China either out of

¹⁷Yoon Young-kwan, "Sunday Column: A U.S.-China Clash Over Taiwan and South Korea's Crisis," (Korean language), *JoongAng SUNDAY*, October 23, 2021, <https://www.joongang.co.kr/article/25017415#home>.

¹⁸Brendan Rittenhouse Green and Caitlin Talmadge, "The Consequences of Conquest," *Foreign Affairs*, July/August 2022.

¹⁹Ibid.

²⁰The second outcome of a possible Chinese charm offensive or smile diplomacy was articulated by Korea University Professor Lee Shin-wha in a meeting with the author, September 2022.

²¹Kong Qingjiang, "Why is the Taiwan Straits Not 'International Waters'?" CGNT, <https://news.cgtn.com/news/2022-06-17/Why-is-the-Taiwan-Straits-not-international-waters-1aUCizRo59e/index.html>.

²²Leif-Eric Easley, "Grand Bargain or Bad Idea? U.S. Relations with China and Taiwan," *International Security*, Vol. 40, No. 4 (Spring 2016), pp. 178–185.

²³Interview with author, September 2022.

fear of retribution or survival. It could also lead Beijing to initiate a grand bargain with Washington in deciding a new regional order for the Indo-Pacific. The result could be either a China-led order or a complicated coexistence of two different political systems.

Emboldened and more aggressive North Korea

Taiwan's fall would likely embolden North Korea to behave tougher, even become coercive, both politically and militarily. This outcome would likely occur simultaneously with either of the two aforementioned Chinese actions. Pyongyang could perceive the United States as having been defeated by China and that Beijing would protect North Korea from U.S. military forces should it decide to march south of the 38th parallel. This means that Pyongyang could be tempted to game out a detailed blueprint, or perhaps update an existing one, for unifying the Korean Peninsula with force under the communist flag. While experts debate whether Pyongyang still maintains support for revolutionary unification since its inception in 1945 by the regime's founder and Kim's grandfather, such a possibility cannot be ruled out if a nuclear-armed North Korea becomes more emboldened and takes a page from China's playbook.

The fall of Taiwan could also negatively impact global efforts to address North Korea's denuclearization and contingency scenarios such as the collapse of the Kim regime. If Beijing is still interested in denuclearization, then it could attempt to initiate some semblance of international cooperation but on its terms. If so, and against the backdrop of a weak United States, Beijing and Pyongyang could work to eventually drive U.S. forces out of the Korean Peninsula. Before the Trump-Kim Singapore summit in 2018, the United States led bilateral and multilateral negotiations that agreed on the main sequence and conditions of denuclearization as well as the end state for the region.²⁴

Implications for South Korea and the U.S.-South Korea Alliance

China's successful occupation of Taiwan would place South Korea in an environment in which U.S. influence in Asia is likely weakened, Beijing's domination has expanded in the region, and U.S. forward troop presence could be denied by China. This means that South Korea would be surrounded by three nuclear-armed authoritarian regimes—China, North Korea, and Russia—and an unfriendly Japan due to historical disputes.²⁵

South Korea's threat perceptions of China could increase because of Beijing's maritime power projection. Some former South Korean officials and scholars forecast that China-Japan disputes over the Senkaku/Diaoyu Islands could intensify, even raising Japanese fears that Senkaku would be China's next target, which could affect South Korea's sea lanes.²⁶ Its southernmost island of Jeju could also feel pressured while the dispute between China and South Korea over the Suyan/Ieodo Islet could become more acute.

In each of the two possible outcomes above—aggressive Chinese hegemon or Chinese charm offensive—a complicated discourse would unfold in South Korea, which could have further implications for the liberal international order depending on the group that governs the country.

As discussed in the first section, South Koreans—including those who have been staunch supporters of the United States and liberal democratic values—could lose faith and trust in the United States. The most likely result would be a national outcry for Seoul to develop its own nuclear weapons.

South Korea's Nuclear Option

Regardless of whether China becomes an aggressive hegemon or engages in smile diplomacy, conservative South Koreans in particular would argue that Washington can no longer be trusted. A conservative administration could begin serious discussions on ways to develop South Korea's own nuclear weapon. This group of South Koreans would

²⁴For the first time in the history of nuclear negotiations, the 2018 Singapore Summit Joint Statement outlined the sequence of negotiations in accordance to North Korea's preference.

²⁵Yoon Young-kwan, "A U.S.-China Crisis in Taiwan and South Korea's Crisis" (author's translation from Korean), *JoongAng SUNDAY*, October 23, 2021, <https://www.joongang.co.kr/article/25017415#home>.

²⁶Interviews of former South Korean government officials and scholars, June–July 2022.

not abandon their alliance with Washington but could accelerate efforts to develop military and strategic capabilities aimed at defending themselves alone. The return of Trumpism in the United States—which South Koreans see specifically as a disdain for alliances, a preference to withdraw U.S. troops based overseas, and an openness to further nuclear proliferation—could add weight to Seoul’s decision to go nuclear.

South Korean nuclear advocates do not see their country’s possession of nuclear weapons and their alliance with the United States as mutually exclusive. They might even pursue talks in earnest with Washington to establish a nuclear-sharing arrangement with Seoul in Asia, similar to that of NATO, to counter both China and North Korea. If South Korea is perceived to be, or embarks, on a path toward nuclear armament, then Japan could seriously consider nuclear weaponization as well, which would lead to a regional nuclear arms race.

Some nuclear advocates believe that Seoul could exercise Article X of the Nuclear Non-Proliferation Treaty (NPT) that provides the “right” to withdraw from the Treaty if the party “decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country.”²⁷ Under the NPT, South Korea would be required to provide three-months’ notice and a statement to the UN Security Council and the other countries citing “extraordinary events” it regards as having “jeopardized” its “supreme interests.”²⁸ Seoul might argue that it has faced a “grave situation”²⁹ created by China’s takeover of Taiwan, North Korean coercion, the loss of trust in America’s security commitment, and an American president’s desire to withdraw U.S. troops from Korea (if that were the case). However, if the UN Security Council deems that South Korea’s NPT withdrawal could become a “threat to peace,” then it can take action to deal with Seoul in accordance with UN Charter Articles 39, 41, and 42 that include measures such as sanctions.³⁰

South Koreans opposed to possessing their own nuclear weapons might demand Washington redeploy tactical nuclear weapons to the Korean Peninsula because the twin threats posed by China and North Korea. They would also redouble their efforts to persuade the United States to establish a nuclear sharing mechanism and Nuclear Planning Group modeled after the NATO system.

If South Korea is governed by a progressive administration, history would predict that Seoul would try to speed up the peace process with North Korea and curry favors with China. While the left-of-center is traditionally opposed to nuclear weapons, it is an open question as to whether progressives would maintain this principle, depending on the world view of the faction in power.

Align with the United States or China?

Key factors that could determine South Korea’s choice to align with the United States or China would be the group that governs South Korea; the state of the U.S.-South Korea alliance; Seoul’s relationship with Beijing during China’s occupation of Taiwan; and South Korean public sentiment.

South Korea could either come under pressure by Beijing to acquiesce to a China-led regional order or distance itself (or even break from) the United States. Or Seoul could voluntarily decide to side with Beijing especially if the United States retreats to a “Fortress America.” Some Korean experts specializing in China warn that many pro-China South Koreans could carry out demonstrations or call for their government to begin security talks with Beijing instead of Washington with the aim of seeking protection because China would have gained more power in the region after occupying Taiwan.³¹

If pro-China or survivalist South Koreans—in either progressive or conservative groups—govern the country, they would likely become even more conscious and wary of China. They could argue that the United States is a declining or even a defeated

²⁷Interviews of South Korean scholars and journalists, August and September 2022.

²⁸Nuclear Non-Proliferation Treaty, Article X.

²⁹This term was actually used by North Korea for its withdrawal in 1993.

³⁰UN Charter Article 39 states that “The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain or restore international peace and security;” Article 41 states that “The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the

Members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations;” Article 42 states that “Should the Security Council consider that measures provided for in Article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade, and other operations by air, sea, or land forces of Members of the United Nations.”

³¹Interviews of South Korean experts specializing in China, June 2022.

power, that China has proven to be the winner in the region, and that South Korea should join forces with the winning party.³² In this case, the U.S.-South Korea alliance could take a hit because South Koreans would witness U.S. defeat with their own eyes.³³ For survivalist South Koreans, the issue is not about China or the United States nor is it about political ideology or values, but rather, about their own survival—survival of their country, which translates into policymakers' and political leaders' job security and power.³⁴

In this case, the democratic political system in Northeast Asia could erode or even crumble. It would not necessarily mean that South Korea would abandon its own democratic system, but democratic backsliding could occur whose fate could depend on the political party or faction in power. It would then have implications for the state and health of inter-Korean relations—whether the two Koreas align or diverge on ideology—which could impact geopolitics and democracy-autocracy dynamics in the region.

However, it is important to note that the dominant perception in South Korea today is negative toward China, especially so among the generation in their 20s and 30s who are also pragmatic and not ideological. If they hold leadership positions in government, their decision could depend on Washington's actions after Taiwan falls to China. It is unclear whether anti-China sentiment or survivalism will dictate their choice especially if Beijing's offers during its smile diplomacy outweigh those from Washington.

If, on the other hand, the U.S. response was to develop a "coalition of the willing" to prevent further Chinese expansionism or even to lay the groundwork for retaking or freeing Taiwan, the same determining factors would apply leading to results discussed throughout this study but with varying degree. For example, South Koreans would be worried about a U.S.-China conflict and potentially becoming collateral damage or being drawn into the war. They may be skeptical of Washington's chances for success, having already lost faith in U.S. power. South Korean conservatives and those who are anti-China would likely still align with Washington, but with caution and an eye on strengthening their country's own strategic capabilities as discussed above. South Korean conservatives and moderates might intensify

their demands for a nuclear sharing mechanism and the redeployment of tactical U.S. nuclear weapons to the region. The health of the U.S.-South Korea alliance and the state of South Korea-China relations could determine the decisions of South Korean progressives and survivalists in power.

Recommendations

While it is not an exhaustive list, the general recommendations below are for the consideration of U.S. policymakers:

Deter a Chinese invasion of Taiwan. Washington should strengthen deterrence by continuing to communicate credible threats and credible assurances: that a Taiwan takeover would inflict severe costs including an unimaginable economic and diplomatic crisis, while assuring that United States maintains its "one China" policy according to the 1972 Shanghai Communiqué. This message should be calibrated with other regional and global actors in their signals to China. The United States could continue to upgrade its military posture to make it more difficult targets for Beijing. It could continue to provide Taiwan with the means to defend itself, conduct joint military exercises, and reassure Asian allies that its commitment to their defense is unshakeable. Washington could also continue to hold military exercises with Japan, India, and Australia in the Indo-Pacific.

Engage in strategic communications, including with the help of non-governmental validators, to deter Beijing from seriously contemplating invading Taiwan. One message could be that China would not be able to stand a chance in a regional conflict if American, South Korean, Japanese, and Australian militaries band together against Beijing. In the same vein, Washington and its Asian and European allies and partners could signal that China's takeover of Taiwan would lead to unambiguous isolation from the international community and severe sanctions. The goal would be to convince Beijing that while the world understands its One China objective, it is also a pathway to containment.

Engage South Korean officials early in frank conversations about Washington's expectations of Seoul in the event of a Taiwan contingency and

³²Interviews of South Korean scholars, June 2022.

³³Interview of former Ambassador Wi Sung-lac, July 2022.

³⁴Interviews of former South Korean diplomats and experts, July 2022.

discuss the importance of liberal democratic values and a liberal international order. South Korea has long maintained a position of strategic ambiguity with regards to its position on China and Taiwan. It fears economic retaliation from Beijing that could cripple the South Korean economy. However, Russia's war in Ukraine, against the backdrop of an intensifying U.S.-China strategic competition, has forced democratic and like-minded countries to sharpen their support for liberal democratic values. Therefore, frank conversations should be held between the United States and South Korea on Seoul's role in order to manage expectations in and outside the South Korean government and prepare plans for cooperation. An early and honest articulation by Seoul of its preferences would also help Washington prepare its strategy in various scenarios that would result from Taiwan's fall. The United States could hold table-top exercises with South Korea, Japan, Australia, and New Zealand.

Strengthen reassurances of U.S. security commitment to South Korea (and Japan). The core of Seoul's strategic decisions is the credibility and reliability of the U.S. extended deterrent as well as North Korea's nuclear capability. Washington's continued articulation of its security commitment to South Korea in rhetoric and actions is vital in shaping Seoul's choices. The United States would need to credibly reassure South Korea that it will not abandon Seoul during a Taiwan contingency and that it will defend the country against North Korea. The United States and South Korea could hold bilateral table-top exercises on scenarios of China's conquest, potential North Korean reactions, and simultaneous crises in Taiwan and the Korean Peninsula. The allies could even consider incorporating a Taiwan crisis scenario in their bilateral or multilateral military exercises.

South Korean policymakers, for their part, could consider the following recommendations:

Demonstrate strategic clarity with actions. Such action could include calling out bad behavior by autocratic regimes and contributing to global efforts to help states that are under attack by autocracies. This includes being outspoken about and supportive

of Taiwan. Seoul certainly faces a challenging dilemma because of the high economic stakes involved if its actions aggravate Beijing. However, the sharpening divide between democracies and autocracies in light of Russia's invasion of Ukraine requires democratic countries to stand by their values and principles in both rhetoric and action. South Korea's standing and defenses against belligerent autocracies will only be strengthened if it unambiguously joins "Team Democracy." The challenge would be to achieve national unity on Seoul's position and policy because of a deeply divided society between ideological lines and party politics.

During his presidential campaign, South Korean President Yoon Suk-yeol and his policy advisors called for strategic clarity on South Korea's position regarding China.³⁵ It remains to be seen if Seoul can demonstrate its rhetoric with action. Seoul's foreign counterparts have already questioned whether Seoul "will crumble" when it is faced with a choice between Washington and Beijing, citing Yoon's decision not to meet with visiting U.S. Speaker of the House Nancy Pelosi in August and the absence of South Korean officials to greet her upon arrival.³⁶

Engage in a public discussion on what South Koreans believe should be their country's role and position if Taiwan falls to China. While the issue of Taiwan and China are sensitive in South Korea, its policy formulation would benefit from an assessment of public opinion and engagement in public education on the various elements involved in this scenario. An early public discussion and debate could also cushion some of the public shock from an unexpected government decision, provide some predictability for South Koreans, and allow for businesses to prepare their strategic plans early for a potential global economic meltdown.

³⁵Michelle Lee, "Under new, conservative president, South Korea is poised to adopt a more hawkish foreign policy," *Washington Post*, March 10, 2022, <https://www.washingtonpost.com/world/2022/03/10/south-korea-president-yoon-foreign-policy/>; Ahn Sung-mi, "Seoul should opt for strategic clarity in US-China rivalry: Yoon's foreign policy aide," *The Korea Herald*, December 28, 2021,

<https://www.koreaherald.com/view.php?ud=20211228000552>; and Yoon Suk-yeo, "South Korea Needs to Step Up," *Foreign Affairs*, February 8, 2022.

³⁶Author's discussions with South Korea's foreign diplomatic counterparts in Seoul; and Nam Hyun-woo, "Pelosi's visit triggers debate about Yoon's diplomacy," *The Korea Times*, August 4, 2022, https://www.koreatimes.co.kr/www/nation/2022/08/120_333926.html.

5

The Implications for India of a Successful Chinese Invasion of Taiwan

Jabin T. Jacob

India-Taiwan relations are of fairly recent origin.¹ While India established a representation office on Taiwan in the mid-1990s, ostensibly as part of its Look East Policy, ties did not develop any momentum until the pro-independence Democratic Progressive Party (DPP) came to power under Chen Shui-bian in 2000. Still, interest remained largely one-way in the political realm with the Taiwanese interested in greater acknowledgement from India of their position in international relations and India focused only on the economic side of the relationship. It is this period, however, that saw the beginning of a rise in numbers of Indian engineers and scientific personnel in Taiwan's high-tech industries.

India remains dismissive of feelers or requests from the Taiwanese side to satisfy its international political aspirations, even as such requests have become more insistent in recent years and as India-Taiwan relations in the military and intelligence-sharing realms have picked up pace once again following the return to power of the DPP in 2016. From an Indian perspective, the bilateral relationship does not have the weight or depth—and perhaps, never will—to allow India to take the risks, or make the efforts, to commit deeply to Taiwan's role or existence as an international actor. Such an attitude comes from an approach to foreign policy that is essentially transactional and, therefore, divorced from matters of principle, except where it makes India look good, especially vis-à-vis an authoritarian state like China.

Given this background, a successful Chinese invasion of Taiwan would change very little on the ground for India in terms of the bilateral relationship itself, especially if it happened in the short term (within the next five years). However, such an event would have important implications for India on a range of other internal and external issues. This paper discusses these implications by dividing them up into three broad areas: 1) Indian national security; 2) India's relationship with the United States; and 3) Indian participation in regional and global security and stability efforts. It concludes with policy recommendations for the Indian and U.S. governments, focusing on what needs to be done after a successful Chinese takeover of Taiwan.

Implications for India and its National Security

A successful Chinese invasion of Taiwan would have two implications for India's national security.

First, a successful Chinese invasion of the Island would likely anger New Delhi and force Indian officials to give China more attention than it has received so far, especially given that India right now is ruled by a right-wing nationalist political party, the Bharatiya Janata Party (BJP), which claims to stand up for the country's national security. Significantly, even though China has been the primary national security challenge for India for several decades now, there has never been consensus on China within the BJP or its affiliated organizations. Rather, the average BJP voter has always considered Pakistan and Indian Muslims more immediate concerns. As a result, the BJP has had to divert attention away from China to Pakistan and Pakistan-sponsored terrorism, despite the latter's declining significance in India's national security. Pakistan and even the occasional terrorist incidents in Kashmir, in other words, have been extremely useful to showcase the BJP's national security credentials. For instance, the air-strike against terrorists based in Balakot, Pakistan gave the BJP massive electoral returns in 2019.

The threat from China, by contrast, has failed to fire up the average Indian voter. As a result, military reforms aimed at improving Indian ability to respond to increased Chinese capabilities along the Line of Actual Control (LAC) have lagged dangerously. Even the Indian response to something as direct as the Chinese provocations in eastern Ladakh in the summer of 2020, which caused the first casualties on the LAC since 1975, was slow, cautious, and marked by confused signalling domestically as well as to China.²

What is more, many Indians admire China's approach to economic development and its handling of restive minorities has generated enthusiasm among both certain elites as well as the rank and file of the BJP. A strongly held belief is that China's economic successes, its ability to get its population to work together towards national goals, its ability to

¹For an overview of current India-Taiwan relations see, Alan Hao Yang and Sana Hashmi (eds). 2022. *Taiwan and India: Strategizing the Relations*. Taiwan-Asia Exchange Foundation, Research Series No. 6, February. [https://www.taef.org/doc/366042-TAEF%202022%20Report%20-%20Taiwan%20&%20India%20Strategizing%20the%20Relations\(FINAL\).pdf](https://www.taef.org/doc/366042-TAEF%202022%20Report%20-%20Taiwan%20&%20India%20Strategizing%20the%20Relations(FINAL).pdf).

²For more on India's approach to China since the clashes in mid-2020, see Jabin T. Jacob. 2020. 'Needed: Clearer communication on the Galwan face-off', *Moneycontrol*, 25 June; 'LAC Stand-off: Let's not talk to China for the sake of talking', *Moneycontrol*, 15 September; Jabin T. Jacob. 2021. 'India must no longer wait for China to change its behaviour', *Moneycontrol*, 27 January; India and the BRICS: Confused Signalling on China', *9DashLine*, 6 October.

stand up to Western pressure, and its ability to counter Western ideas by promoting its own culture and civilizational ethos are all worth emulating by India.³ All this despite India's identity as a democracy and the oft-repeated claims that India and the United States are "natural partners" with shared democratic values.⁴

A successful Chinese invasion of Taiwan, then, would likely bring the China challenge more to the forefront of Indian right-wing nationalist consciousness. China might finally get its deserved position as India's primary security challenge.

It is still unlikely to immediately lead to a China-focused strategy, however. Instead, there might be increased pressure on the BJP government to seek to justify policy positions similar to those on Pakistan-Occupied Kashmir (PoK) or Pakistan itself. Recall that the idea of 'Akhand Bharat' ('Undivided India')—a conception of India as compromising everything from Afghanistan to Myanmar as well as Tibet—has long existed among India's right-wing nationalist groups.⁵ The fact that Tibet keeps disappearing from the map of Akhand Bharat is also a sign that China receives barely any attention among right-wing nationalist ideologues or that if it does, it is seen more as a distraction from the central task of dealing with the partition of the sub-continent and the "Muslim question."

In theory, an Indian intervention in PoK/Pakistan might be opportune given China's distractions in Taiwan. In practice, however, India's military planners would likely fear a two-front war, and Chinese support for Pakistan. The BJP would also struggle to find the domestic resources and international tolerance to pursue such ambitions. As a result, New Delhi is likely to resist the pressures to intervene in PoK/Pakistan and, instead, highlight Chinese bad behaviour.

Simply put, the 'reclaiming' of Taiwan by China will likely not generate the necessary pressures within the Indian political establishment to allow the national security establishment to focus on the threat posed by China. New Delhi is likely to continue what it has done so far: trying to limit potential Chinese gains from provocations and transgressions rather than responding to them, let alone pre-empting them.⁶

Second, and somewhat paradoxically, a successful Chinese invasion of Taiwan would also challenge numerous Indian assumptions about Chinese strategic intent and its military capabilities. The Indian military would likely have to go back to the drawing board to reorder its battle plans and contingencies in the light of especially the psy-ops, cyber, air and amphibious capabilities that China would have used to capture Taiwan, in addition to its conventional capabilities.

For the Indian side, while it may happen behind the scenes, there would likely be a realization that the maritime threat from the PLA Navy is not just a future concern but a clear and present danger in the Indian Ocean and in Indian waters. Equally, at the land border, there would be concerns about the susceptibility of border communities to Chinese propaganda. Indian border communities are aware of the political and cultural repression of the Tibetan and Uyghur ethnic minorities in China but that does not prevent them from also legitimately complaining about the slow pace of development by their government in comparison to the rapid and significant infrastructure development on the Chinese side—the latter development is often visible from the Indian side of the LAC at multiple points.

This nuance in the views of border communities or the fact that they might not necessarily be concerned about the fall of Taiwan will likely be immaterial to the Indian security establishment, which might now feel that this disaffection could turn into an internal security challenge. India has a history of ethnic

³For representative social media posts, see <https://twitter.com/NeelMadhav/status/1536474577408503809?s=20&t=9k0eSJMYCT5SIFDHOtoOjQ>; https://twitter.com/Abhina_Prakash/status/1535270264853803014?s=20&t=9k0eSJMYCT5SIFDHOtoOjQ.

⁴Ministry of External Affairs, Government of India. 2021. Prime Minister's opening remarks at QUAD, *Speeches & Statements*, 24 September. https://mea.gov.in/Speeches-Statements.htm?dtl/34317/Prime_Ministers_opening_remarks_at_QUAD; Ministry of External Affairs, Government of India. 2021. Prime Minister's Opening Remarks at the India-US Bilateral Meeting, *Speeches & Statements*, 24 September. https://mea.gov.in/Speeches-Statements.htm?dtl/34315/Prime_Ministers_Opening_Remarks_at_the_India_US_Bilateral_Meeting; Ministry of External Affairs, Government of India.

2022. English Translation of Remarks by Prime Minister, Shri Narendra Modi at virtual meeting with the President of the USA, *Speeches & Statements*, 11 April. https://mea.gov.in/Speeches-Statements.htm?dtl/35179/English_Translation_of_Remarks_by_Prime_Minister_Shri_Narendra_Modi_at_virtual_meeting_with_the_President_of_the_USA.

⁵Nistula Hebbar. 2015. Party, Gov't Don't Share Madhav's View, Says BJP, *The Hindu*, 27 December. <http://www.thehindu.com/news/national/bjp-plays-down-ram-madhavsakhand-bharat-remarks/article8034226.ece>.

⁶Jabin T. Jacob. 2021. India's China policy in 2021 has been a failure. *Moneycontrol*, 30 December. <https://www.moneycontrol.com/news/opinion/indias-china-policy-in-2021-has-been-a-failure-7881781.html>.

insurgencies in its northeast that have been supported by China and whose leaders in some instances still seek shelter on the China-Myanmar border.⁷ Whether by Chinese design or by Indian overreaction, the border communities on the Indian side are likely to come under pressure from the Indian state for no fault of their own, which in turn could lead to aggravation and missteps creating a vicious cycle of mistakes that the Chinese will exploit.

The next section will look at the implications of a successful Chinese invasion of Taiwan for Indo-U.S. ties. It will also look at the question of whether how Taiwan was lost matters to India, notably if it was lost because the United States did not intervene or despite American intervention.

Implications for India's Relationship with the United States

A successful Chinese invasion of Taiwan will be consequential for the United States. There should be no doubt—unlike in the case of the Russian invasion of Ukraine—that Taiwan's fall will be directly linked to a failure of American diplomatic and military efforts. In one fell swoop, China will have undermined not just the United States' global standing, but will have also damaged, perhaps even destabilized, America internally given that the White House was unable to meet its obligations under the Taiwan Relations Act. Taiwan's fall might potentially accelerate the effects of longstanding trends or previous events such as the Russian involvement in U.S. elections, the January 6 insurrection of 2021, and other fissures within American society.

Under these circumstances, it is but natural for New Delhi to consider afresh its relationship with the United States. This is not to say that India will abandon the relationship and seek to make peace with China. The latter possibility is most likely well and truly finished with the events of Galwan and the subsequent delay in reaching a quick resolution acceptable to India. But this does not mean that India falls over entirely into the U.S. camp—this would be

in keeping with the Indian tradition of non-alignment or what is referred to today as 'strategic autonomy.' Indeed, with the fall of Taiwan, those within the Indian establishment and outside it that strongly feel the Americans extract far more than their fair share from political, economic, and military ties with India, are likely to be encouraged to push the government to drive harder bargains with the United States, such as for example, greater technology transfers from the United States, more pressure on Pakistan-based terrorism, and greater leeway for India to deal with Iran.

This particular aspect is already in evidence—consider for example, how despite the fact that the Chinese are sitting on territory freshly captured in 2020, the Indian government has continued to keep open engagement with the Chinese in forums that the latter consider very important, such as the Russia-India-China (RIC) trilateral and the Brazil-Russia-India-China-South Africa (BRICS) forum.⁸ It even allowed a visit by the Chinese Foreign Minister Wang Yi in March 2022, despite every chance that it would be interpreted externally as a case of India and China making common cause on the Russian invasion of Ukraine and in opposition to the United States.⁹

On How Taiwan Is Lost

Whether Taiwan was lost because the United States did not intervene or despite U.S. intervention will be immaterial to India's final assessment of its regional and global security challenges, but it will certainly matter to India's perception of the United States itself. Was the Chinese invasion successful because the United States did not come to Taiwan's aid or despite it?

In the first case, it would not surprise many in India that the United States did not meet its end of the deal. This, in fact, remains something of a default position in India that the United States cannot be relied on and that in the case of any outbreak of hostilities with China, India would be on its own. It is not just a particular view of the United States that operates here

⁷Prabin Kalita. 2020. Ulfa-I operating from base in China: Centre tells tribunal, *The Times of India*, 4 October.

<https://timesofindia.indiatimes.com/india/ulfa-i-operating-from-base-in-china-centre-tells-tribunal/articleshow/78471000.cms>.

⁸See for example, Ministry of External Affairs, Government of India. 2021. Launch of BRICS 2021 Website, *Press Releases*, 19 February.

<https://www.mea.gov.in/press-releases.htm?dtl/33549/Launch+of+BRICS+2021+Website>; Ministry of External Affairs, Government of India. 2021. 18th meeting of Russia-India-China (RIC) Foreign Ministers, *Press Releases*, 25 November.

https://www.mea.gov.in/press-releases.htm?dtl/34531/18th_meeting_of_RussiaIndiaChina_RIC_Foreign_Ministers.

⁹For more on this aspect, see, Jabin T. Jacob. 2022. Wang Yi In India: No substantial outcome, but China has exploited the visit to its advantage. *Moneycontrol*, 29 March.

<https://www.moneycontrol.com/news/opinion/wang-yi-in-india-no-substantial-outcome-but-china-has-exploited-the-visit-to-its-advantage-8290901.html>.

but a realistic assessment of global politics as well as an understanding that India's stature requires it to be able to deal with China on its own. The 1962 conflict in which the Americans stepped in to support India despite the latter's non-alignment policy is mostly forgotten history or one that has been buried under later decades of bad blood between the two sides.

At the same time, it might also encourage those in India invested in closer strategic ties with Washington to imagine that it was precisely the lack of U.S. involvement that allowed the Chinese to succeed and that it would not have been possible otherwise. This group will likely be ignored altogether in India for it would be inexplicable why the United States would not come to Taiwan's aid when the cost of not doing so is a massive loss of credibility among friends and foes alike.

It would also be the end of such a group in terms of influence within India if Taiwan was lost despite U.S. aid or involvement. India would also need to worry about the long-term reliability of other U.S. partners like Japan, Australia, and South Korea in political projects like the Quadrilateral Security Dialogue (Quad) as well as economic ones like the Indo-Pacific Economic Framework for Prosperity (IPEF), as well as about immediate concerns like the safety of its substantial trade through the South China Sea.

Thus, in the context of the India-U.S. relationship, a successful Chinese invasion of Taiwan would then cause the Indians to extract greater concessions from the United States, and also to prepare for a post-U.S. order. This debate in India would most likely be led by a mix of ultranationalists from the right of the political spectrum on the one hand and left-leaning admirers of China's socialist politics on the other.¹⁰ While strange bedfellows, both groups are admirers of China's developmental model, if for different reasons.¹¹

Implications for Regional and Global Security and Stability

Beyond the India-U.S. relationship, however, a successful Chinese invasion of Taiwan will

profoundly change how India perceives regional and global security issues. The external implications for Indian national security can be categorized as those in India's immediate neighbourhood, those in the wider neighbourhood of Asia and the Indian Ocean region, and those in terms of India's global outlook and behaviour.

In the Immediate Neighbourhood

India's South Asian neighbours usually already have China as their top trading partner rather than India despite geographical proximity. India's multitude of economic initiatives have not had the same impact or visibility as China's Belt and Road Initiative (BRI) in South Asia, even if the latter has not been without costs to its most enthusiastic hosts such as Sri Lanka and Pakistan. Add to these, the poor record of India's military responses to Chinese assertiveness both along the LAC and when treaty ally Bhutan has lost territory to Chinese transgressions,¹² and any successful takeover of Taiwan will surely mark another fall in India's relative reliability and reputation in South Asia vis-à-vis China; China is already a significant military supplier to Indian neighbours such as Pakistan, Bangladesh, and Myanmar.

What is more, its Muslim neighbours might perceive that India's insecurity arising out of Chinese actions will also potentially drive greater discrimination against its own Muslim minority in the Indian government's quest to achieve 'national unity' to ostensibly deal with the Chinese challenge. Even India's other neighbours might perceive that Indian pressure on them will only increase to get them to reduce space for China or to counter Chinese influence. Nepal and Sri Lanka have already been at the receiving end of such pressure from India, which has only caused the Chinese to redouble their efforts in these countries. All of this is then likely to further complicate India's bilateral relations with its neighbours.

India's multilateral engagements in the region—the South Asian Association for Regional Cooperation, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, and the

¹⁰For more on the different schools of thought on China within India, see Jabin T. Jacob. 2014. 'Friend, Foe or Competitor? Mapping the Indian Discourse on China', in Happyman Jacob (ed.). *Does India Think Strategically? India's Strategic Culture and Foreign Policy* (New Delhi: Manohar). 245–288.

¹¹The right-wingers are admirers of the Chinese Party-state's methods of political socialisation and control, including of minorities and over

dissident voices, while the left-leaning are admirers of China's unique brand of welfarism.

¹²Robert Barnett. 2021. China Is Building Entire Villages in Another Country's Territory. *Foreign Policy*, 7 May. <https://foreignpolicy.com/2021/05/07/china-bhutan-border-villages-security-forces/>.

Bangladesh, Bhutan, India, Nepal Initiative—are all likely to get more difficult to operate than is already the case, given that China is not present in any of these organizations but that Chinese partners or potential allies are. A declining footprint or a go-slow in multilateral initiatives in its own neighbourhood, even as Chinese initiatives—BRI, Global Security Initiative, Global Development Initiative—are competing for attention and members, will severely undermine India's efforts to economically and diplomatically integrate South Asia more closely with itself and, by extension, its national security.

In the Wider Neighbourhood

Meanwhile, a quick overview of the BJP's foreign policy record shows that it has actively reached out to all corners of the globe in a bid to raise India's international profile¹³ and that it has been less shy about criticising China openly in international forums especially following the deadly clashes along their disputed boundary in June 2020.¹⁴ Even apart from their common interest in stymying rising Chinese power in Asia, India under the BJP has been particularly open to and has increased strategic (including military) interactions with the United States and its allies, represented best by their joint advocacy of concepts such as the Indo-Pacific¹⁵ and joint participation in initiatives such as the Quad. A lot of this has been sold as a way of responding to Chinese pressure on India's borders and in its neighbourhood. However, despite the apparent dynamism, Indian foreign policy remains hamstrung by a lack of follow-up and of resources (both human and financial). Several initiatives such as Project Mausam, that was launched practically at the same time as China's BRI, and the Asia-Africa Growth Corridor with Japan are essentially dead in the water.¹⁶

Against the backdrop of a successful Chinese invasion of Taiwan, two things can happen. One, fear of a more aggressive China will encourage at least some countries in India's wider neighbourhood that do not otherwise have a history of difficult ties with

India to seek closer partnership with India. Two, countries might decide they are better off bandwagoning with China than hedging or balancing against it.

The first scenario can only be adopted by those countries with some significant political weight and economic capabilities that can be deployed in any coalition against China. In the area of India's immediate security interests, in the arc from West Asia to Southeast Asia, there are practically no countries of this sort. Those that are, are already allied with the United States (Saudi, UAE) or part of a larger grouping that seeks to stay resolutely neutral (Indonesia). Iran is potentially one country that India could have worked with, but it is also one that sees a greater threat from the United States than from China. If anything, the pressure on U.S. allies in the region might be to reduce their stakes in the relationship with Washington and take a more neutral position with respect to China than seek closer partnership with India.

The above-mentioned class of countries might not find the need to bandwagon with China but the vast majority of smaller countries beyond India's immediate neighbourhood, such as the island nations of the Indian Ocean and the coastal states of eastern Africa and West Asia, might think there is more to be gained by a closer partnership with China. Even if they think of hedging their bets against China, these countries are unlikely to consider India—if they ever did—in the same category as China, and therefore worth allying with. India at the moment does not even have full-time defence attachés in many of these countries and has embassies smaller by several orders of magnitude than their Chinese counterparts.

India's Global Outlook

Insofar as implications for India's role as a contributor to regional and global security go, we will see Indian confidence in its ability to manage China shaken considerably. A successful Taiwan action by China will be read—correctly—by New Delhi for the

¹³Surupa Gupta et al. 2019. Indian Foreign Policy under Modi: A New Brand or Just Repackaging?, *International Studies Perspectives*, 20. 1–45.

¹⁴See for example, Shubhajit Roy. 2022. Jaishankar underlines: China ignored LAC pacts, an issue of global concern. *The Indian Express*, 13 February. <https://indianexpress.com/article/india/jaishankar-india-china-border-dispute-quad-7768829/>.

¹⁵India and the US, however, have differing interpretations of what constitutes the 'Indo-Pacific'.

¹⁶The evidence suggests that these Indian initiatives are already moribund. For Project Mausam, see, Ministry of Culture, Government of India. 2022.

Project Mausam. <https://www.indiaculture.nic.in/project-mausam>. For the AAGC, see, Research and Information System for Developing Countries. 2021. About AAGC. <https://aagc.ris.org.in/node/755>. The most recent event on the dedicate AAGC website run by an Indian foreign ministry think-tank is from August 2017. <https://aagc.ris.org.in/en/recent-events>. See also, Ministry of External Affairs, Government of India. 2022. Question No.233 Status of Asia Africa Growth Corridor, *Parliament Q & A: Rajya Sabha*, 3 February. <https://www.mea.gov.in/rajya-sabha.htm?dH/34796/QUESTION+NO233+STATUS+OF+ASIA+AFRICA+GROWTH+CORRIDOR>.

impetus it will provide Chinese nationalism and further provocations along the LAC, if not immediately, then eventually. It will be seen by many in India as the beginning of the post-U.S. global order. If, in the two years since Galwan, the Indian military has not been able to take even the first steps towards theaterization and a global perspective of the Indian military's role, then it is unlikely that the Indian military will have progressed far enough down this path to be of any consequential counterweight if the Chinese military achieves a takeover of Taiwan in the next five years (in time for the 21st National Congress of the Communist Party of China) or even by 2035 (the designated midway point between the two centenaries of the founding of the Communist Party of China (CPC) and the founding of the PRC).

Indian planners will calculate—perhaps incorrectly—that India will be better off concentrating its attention and resources on problems at home and in the neighbourhood to block any further Chinese aggression.

India, far from being a 'leading power,'¹⁷ will likely become a 'receding power'—worried constantly about threats to its territory from an ascendant China. Indian interest in multilateral activity will likely decline considerably as it pulls back from even traditional talking points as reform of the UN Security Council or of global financial institutions as well as from traditional roles such as UN peacekeeping operations. India might choose to focus attention perhaps on regional multilateral organizations while stepping back from or abandoning altogether such forums as the India-Brazil-South Africa (IBSA) and BRICS.

Recommendations

The policy recommendations below address both issues of preventing or deterring a Chinese invasion as well as a post-invasion scenario.

Understand the nature of the Chinese Party-State. Domestic interests are more important than foreign policy and among domestic interests, regime survival is paramount for the CPC. Indian and American policies to deal with China must keep this factor front and centre.

Even if Taiwan has been conquered and subdued, the CPC cannot bask in the glory of this success. There are at least two kinds of 'internal' issues that arise for China. One, how long will it take to pacify Taiwanese resistance? Any invasion that takes place within the short-term, (five years or so) is unlikely to have allowed for the CPC's United Front Work Department entities to have done their job fully within Taiwan of building up widespread acceptance for Chinese rule. While the duration of military conscription in Taiwan had come down to as little as four months, post-Ukraine there was increasing acceptance of the need for longer and more serious efforts during conscription.¹⁸ Military conscription in Taiwan, therefore, creates a body of able-bodied Taiwanese potentially able to resist Chinese occupation. As a result, it is quite possible that an armed urban insurgency of some consequence will simmer in Taiwan that might not be easy for Chinese security agencies to deal with. Other forms of non-violent resistance can also take shape: demonstrations, graffiti, non-cooperation with the government, and so on. No matter how tight the CPC's control over information, it will be impossible to completely hide evidence of Taiwanese resistance, which the Party will see in turn as a 'problem' or 'failure' that needs to be addressed. This could lead to a vicious cycle of violence and resistance—a new kind of 'Taiwan problem.'

For another, the CPC's Taiwan 'success' might cause the Chinese people to ask that since 'the great dream of national reunification' has now been achieved and the United States has been shown its place and if—as Party mouthpieces now regularly suggest—it is in inevitable or terminal decline, why it is necessary for them to continue making the sacrifices demanded in the name of the greater national good. And why, if this is even the case, should the CPC remain the sole arbiter in the Chinese political system? 'Reunification' with Taiwan could be for the Chinese people an epochal event of the sort that will also come with demands for a fresh start or a new direction—good parallels would be Winston Churchill's loss in the British general elections immediately after the end of World War II and George H. W. Bush's loss in his re-election bid in 1993 following the fall of the Soviet Union and the end of the Cold War. This is a sentiment that might apply to the CPC as well. The

¹⁷Ministry of External Affairs, Government of India. 2019. External Affairs Minister's speech at the 4th Ramnath Goenka Lecture, 2019, *Speeches & Statements*, 14 November. <https://mea.gov.in/Speeches-Statements.htm?dtl/32038/external+affairs+ministers+speech+at+the+4th+ramnath+goenka+lecture+2019>.

¹⁸*The Economist*. 2022. What Taiwan can learn from Russia's invasion of Ukraine. 23 April. <https://www.economist.com/briefing/what-taiwan-can-learn-from-russias-invasion-of-ukraine/21808850>.

loss of Taiwan, therefore, need not be the end of opportunity for the United States and its partners and allies if the larger goal really is to push towards a more democratic China that supports a liberal international order.

The CPC will, therefore, need to find new enemies—very likely, Japan and India—in the immediate neighbourhood—and new existential challenges for the Chinese people to deal with which can be used as justification for the Party to remain in charge. This means that liberal democracies should continue to focus on all elements of political competition with the CPC—hitherto, it is only the CPC itself that has taken this competition seriously—and the fall of Taiwan should be treated as just one event in this competition, not the end of it.

Whether post-invasion or pre-invasion, the Indian government certainly needs to take China studies more seriously than it has hitherto. The field is undermined in India because of the control of the government over all resources and an unwillingness to encourage critical voices in Indian academia.¹⁹ Chinese studies in India especially suffers from the government's badly mistaken—but institutionalized—view that most scholars of China are also sympathetic to China. Another major problem is the dominance of retired diplomats and military personnel in the debate on China, to the exclusion of academic specialists and their perspectives. What is more, Indian diplomats actually have a tendency to ignore perspectives from their own scholars and to privilege views from Western (usually American) scholars, ignoring for the most part the general record of failure of these scholars for decades in interpreting the intentions of the Chinese Party-State and causing the United States to have engaged in rapid turnarounds of China policy over both the Trump and Biden administrations. There is a growing younger generation of Indian China specialists far more focused on China's domestic policies as the foundation of its foreign policies as well as more knowledgeable and correct on China than the Indian government gives them credit for. What is more this cohort is also aligned with their younger counterparts in the United States and Europe, leading to possibilities of better China analysis if scholars from all three geographies can cooperate. However,

this would be impossible if the Indian government deliberately starves its scholars of resources.

Hold fast to democracy and liberal values at home

As in the case of the Indian elite, there is dictator envy the world over. In the United States, failure in Taiwan and the trends set in motion with the Trump presidency and older ones of the rise of broad-based technological surveillance can together combine to encourage a further undermining of civil liberties and liberal values. These developments would only accelerate China's rise by giving substance to the argument the CPC has been plying for several years that each country is entitled to its own political system appropriate to its political conditions and that Western-style democracy is not the only or even the most suitable system. While this might create the impression that the CPC is willing to live with Western-style democracy, the fact is that the Party sees it as an existential threat to be undermined and eventually destroyed. The longer countries like the United States and India hold on to their democratic and liberal ethos, the more likely the CPC will make a mistake or overreach in the attempt to be supreme at home and abroad.

This then also suggests just what India and the United States need to work at in order to prevent any successful invasion of Taiwan by the Chinese Party-State. Both New Delhi and Washington need to commit more to democracy promotion in China's neighbourhood. Some countries, such as Mongolia, are more amenable to such support than say Vietnam or Laos, but if China is to be deterred or at least forced into making mistakes, then it needs to be aware that ideological conflict is also what India and the United States perceive the conflict with China to be about. Currently, this sense of ideological conflict is something only the Chinese have—New Delhi and Washington have largely tried to resist portraying the tensions with China as an ideological one. This is a mistake that undermines efforts to prepare their own publics for inevitable conflict—whether kinetic or another long-drawn Cold War—or to build up the spine and willingness to sacrifice that allowed the commitment of millions of Allied troops against Nazi and other fascist powers during World War II.

¹⁹Jabin T. Jacob. 2021. India's China policy in 2021 has been a failure. *Moneycontrol*, 30 December.

<https://www.moneycontrol.com/news/opinion/indias-china-policy-in-2021-has-been-a-failure-7881781.html>.

Prepare for the next kinetic conflict and work to support each other

The United States and India should work harder at reassuring both each other and their partners and allies. While engagements have increasingly become multi-level and multi-sectoral, there is still a weight on the Indian side toward dialogues involving more senior functionaries such as the 2+2 dialogue, or the ones that involve diplomats and civilian defence officials. The Indian military needs to be allowed full play as well and would gain from the engagement with its U.S. counterparts. While there is great identity of purpose and camaraderie between the two forces, in practical terms there is not an engagement that extends beyond the immediate threats of terrorism, Pakistan and China, and to some extent cybersecurity and HADR. The two militaries (and their civilian bosses) need to be able to talk shop also about other geographies. The Indians need to think of going beyond UN peacekeeping operations and to develop a willingness for joint military activity with the Americans as a way of the two sides preparing for a Taiwan contingency. But the Americans themselves need to develop the habits of consultation and restraint and to abandon the practice of unilateral intervention, knowing that India takes the spirit and the ethos of the UN seriously despite its own constrained space within the system.

Meanwhile, a successful Chinese invasion of Taiwan would be a clear indictment of the failure of the Quad as an organisation that has actively tried to avoid a military identity. India is particularly guilty of trying hard to ensure that this was the case and the United States is guilty of not trying hard enough to reassure or push India to call a spade a spade. The United States might also be accused of being impatient with the Quad and trying to find short-cuts like the Australia-United Kingdom-United States (AUKUS) arrangement—another initiative that would have failed if the Chinese succeed in taking over Taiwan. Whether pre- or post-invasion, the United States needs to understand and identify India as the lynchpin of its Asian security policy; it is assumed that U.S. Asian security policy is more interested in preventing the rise of an authoritarian China than preserving America's dominant role in the region. In other words, the United States cannot expect India to play second fiddle to it. India is in the region, faces Chinese troops on its borders, and has much more at stake from China's aggressive nationalism and hegemonic ambitions. India, for all its faults, will also be seen by more countries in Asia as a far more committed and less hypocritical or transactional

bulwark against China. The United States should, therefore, explicitly encourage and promote this approach—pay attention to Indian interests, Indian requirements for both civilian and military technology, and convince its allies to defer to India. If the United States is capable of this degree of forward thinking, India might itself be willing to increase its stakes in any Taiwan contingency by keeping alive the possibility of creating a serious second front for the Chinese to worry about in their plans for any full-scale invasion of Taiwan. This is not a situation that will develop overnight and will require considerably more meeting of minds, plans, and strategies between Washington and New Delhi than has hitherto been the case. India cannot merely be a spoke in a U.S.-led global political and military system but a concurrent hub—it is the only country in Asia with the ability and the will to expend the necessary human and material resources to counter China.

Is this not also a step towards a post-U.S. world order? Yes, certainly. But the United States—like the United Kingdom post-WW II—has the choice of keeping its resources, alliances, and global prominence mostly intact or attenuated to a far lesser degree than would otherwise be the case.

Make use of Taiwanese human resources outside of Taiwan

Especially over the last few years, India has used Taiwanese human resources to boost its military intelligence and analytical capacities vis-a-vis China. These efforts are still at a nascent stage and small in scale and will take years, perhaps a decade or more, to reach fruition. Given their nature, however, they are at least as significant over the long term as any capital acquisitions. Given that a successful Chinese invasion of Taiwan will immediately jeopardise the flow of Taiwanese personnel and whatever limited intelligence exchanges that exist, it should lead to greater intensity of effort from the Indian and American sides to push and promote these and other exchanges pre-invasion. Post-invasion, efforts to scale up output from Taiwanese training personnel now stuck in India and the United States will certainly be affected but that should not mean these efforts can never reach fruition. It will simply require more carefully-directed investment and management to ensure optimum results.

A Taiwanese government-in-exile based in the United States is inevitable in the case of a successful Chinese invasion of the island. The United States and

Jabin T. Jacob

India can and should cooperate to reassure and support the Taiwanese diaspora across the world.

6

The Consequences for Europe of a Successful Chinese Invasion of Taiwan

Bruno Tertrais

Most European governments woke up to the China challenge and importance in the early 2000s, as baffled European officials realized that the then-discussed possibility of lifting the arms embargo to Beijing, which had been imposed after the 1989 Tiananmen events, would provoke the furor of Washington.

Europe has come a long way since, and a series of events have served as turning points in Europe's appreciation of the People's Republic of China (PRC): the acquisition of the German robotics firm Kuka by a Chinese entity in 2016; the debate about 5G and Huawei; revelations about the fate of the Uyghurs in Xinjiang; the PRC's takeover of Hong-Kong; and the COVID-19 pandemic. The PRC has become the number one trading partner of the Union, but Brussels now officially calls it a "systemic rival."

Despite these developments and as a general rule, Europeans do not think that their own security would be threatened directly if the PRC opted to take over of the Republic of China (RoC). Europe's perception of its interests in the region, its possible reactions to a U.S.-China war, and the way it would assess the consequences for the Old Continent of a PRC invasion of the island remain in flux.

Answering the question "What would be the consequences for Europe of a successful invasion of Taiwan?" depends greatly on context, and in particular, on political and military circumstances. For instance, is it taking place in the context of a recent major event in Europe, Asia, or elsewhere, which has changed the European outlook on the region? Another essential consideration would be: who is at the helm in Washington? For the sake of argument, however, this paper will assume as its starting point that the PRC invasion happens around 2025 and that geostrategic circumstances are broadly identical to those of today. Before delving into these considerations, however, the paper begins with an analysis of European interests vis-à-vis Taiwan to provide a backdrop and help explain Europe's likely reactions.

European Interests in the Fate of Taiwan

Europe is dependent and divided on China.

In 2020, the PRC became the European Union's number one trading partner (goods: €695 billion in 2021), overtaking the United States, though with a very large deficit (€248 billion in 2021). About half of EU imports from China are telecommunications equipment and automatic data processing machines.¹ Europe is also highly dependent on Beijing for the procurement of active pharmaceutical ingredients, and of critical components and raw materials for its green and digital transitions. At the political level, Europeans generally believe that "we need China" to deal with global challenges, such as climate change or nuclear proliferation.

Europe lacks common positions on Huawei's role in European 5G networks, Chinese inward investments, the South China Sea disputes, or the Belt and Road initiative. Portugal, Greece, and Italy act as a bridge between the United States and China. Hungary tries to play the two powers against each other to extract concessions. Other Central and Eastern European countries appear to be in wait-and-see mode. Meanwhile, France, Germany, and Spain work with Brussels to enhance the European Union's strategic autonomy and economic sovereignty, notably the capacity to develop critical technologies.²

Europeans' perceptions of their dependence on China also vary greatly. France, Germany, the Netherlands, and Denmark consider it to be of concern. For others, such as Portugal, Greece, or Latvia, it does not appear on their radar screen.³ Significantly, there is no direct causal relationship between the volume of trade with China and positions vis-à-vis its policies and actions. European countries that trade the most with China (Germany and the United Kingdom) are also those who trade the most with the United States, yet Berlin and London have different views of Beijing. The Czech Republic and Poland trade more with China than with the United States, but they have not adopted "softer" policies vis-à-vis Beijing as a result.

Still, today there are two common features in the European debate about China.

First, there is a growing divergence in perceptions of the United States and China. Among major European countries, the public has an overwhelmingly more positive perception of the United States (median:

¹European Commission, European Union Trade in Goods With China, February 2022.

²Europe in the Face of US-China Rivalry, European think-tank network on China, 2020, p. 16.

³Dependence in Europe's Relations with China, European think-tank network on China, 2022, p. 15.

62%) than China (median: 28%).⁴ The only exception is Greece (63% have a positive view of the United States against 52% of China). Since 2019, the European Commission has also called the PRC a “systemic rival,” which has led to increasing caution vis-à-vis Chinese investments in Europe. As a result, the bilateral Comprehensive Agreement on Investment (CAI) is blocked in the European Parliament. After a decade of Chinese investments in key infrastructures, such as ports and high-tech industries, the European Union has now set up an investment screening framework to screen foreign direct investments on security or public order grounds, and activated a mechanism to enhance coordination and cooperation between the Commission and Member States. It has also sought to reduce its reliance on Chinese suppliers by introducing the “5G toolbox.” Europe, in sum, has tried to “*de-weaponize*” critical hubs or choke points in an effort to enhance its strategic autonomy.⁵

Second, Europe is increasingly aware of the Taiwan question and less inclined to abide by the PRC narrative. Consider the language used by the European Union’s External Action Service:

For the EU, Taiwan is a reliable and valued like-minded partner in Asia. The EU and Taiwan share common values, such as democracy, the rule of law, and human rights. We are both committed to upholding multilateralism and the rules-based international order. The EU and Taiwan share common objectives, such as tackling the challenges posed by the COVID pandemic as well as promoting stability, security, and sustainable growth.⁶

Recently, there also have been efforts across Europe to expand relations with Taiwan without abandoning the One China Policy. (The European Union “recognizes the government of the People’s Republic as the sole legal government of China [and] supports the status quo and peaceful resolution of differences across the Taiwan Strait, rejecting the use or threat of force”.⁷) The European Parliament and individual

member states, notably the Czech Republic, Lithuania, and Slovenia are leading the way. Lithuania’s Taiwan policy, in particular, has spurred controversy between Vilnius, Brussels, and Beijing. Not only did the Baltic country decide to withdraw from China’s 17+1 format, but it also formally upgraded Taiwan’s office in Lithuania to “Taiwanese Representative Office.” Further, in the fall of 2021, the European Parliament made its first official visit to Taiwan and subsequently voted overwhelmingly (580-26) in favor of a resolution calling for stronger relations and the establishment of a “comprehensive enhanced partnership” with Taiwan.

European interests in Taiwan and vis-à-vis the Island have also become increasingly important. Taiwan is only the European Union’s 14th trading partner, but the Union is Taiwan’s largest investor and, in 2021, investment of Taiwan to the European Union reached an all-time high of €4.5 billion. Moreover, the European Union’s ambitious European Chips Act of 2022 seeks cooperation with Taipei’s TSMC to double the Union’s production by 2030.

The potential consequences of a conflict over Taiwan are now also well-understood. In 2021, the Council Conclusions on a EU Strategy in the Indo-Pacific acknowledged that the situation in the Strait “may have a direct impact on European security and prosperity”⁸ and European experts have increasingly warned that a conflict over Taiwan would lead to a “redefinition of the international order” and that an assault on the Island would be “a fundamental attack on the international legal order that the EU has committed to uphold.”⁹ This is in line with a previous EU statement that there is a “direct connection between Asian security and European prosperity,”¹⁰ recently reiterated by French Defense Minister Sébastien Lecornu, when he declared at the latest Shangri-La Dialogue that “The Indo-Pacific’s problems are Europe’s problems and vice-versa.”¹¹

France regularly sends ships through the Taiwan Strait. The United Kingdom did so for the first time

⁴Laura Silver, “China’s international image remains broadly negative as views of the U.S. rebound”, Pew Research Center, 30 June 2021.

⁵Tero Poutala et al., “EU Strategic Autonomy and the Perceived Challenge of China: Can Critical Hubs Be De-weaponized?”, *European Foreign Affairs Review*, n° 27, 2022.

⁶EU External Action Service, *The European Union and Taiwan*, 26 July 2021.

⁷EU External Action Service, *The European Union and Taiwan*, 26 July 2021.

⁸Council of the European Union, *Council Conclusions on an EU Strategy in the Indo-Pacific*, 16 April 2021.

⁹French expert Mathieu Duchatel quoted in Sylvie Kaufmann, “Mourir pour Taiwan? C’est très loin, Taiwan. A l’OTAN, les Européens n’ont pas signé pour ça”, *Le Monde*, 20 Octobre 2021; German expert Thorsten Benner, “Peace Through Deterrence: Why Germany and Europe Need to Invest More to Preserve the Status Quo in the Taiwan Strait”, *Global Public Policy Institute*, 16 March 2022.

¹⁰Council of the European Union, *A Global Strategy for the European Union’s Foreign and Security Policy*, 2016.

¹¹Discours de Sébastien Lecornu, Ministre des armées, au Dialogue de Shangri-La, 11 June 2022,

in 2021. Taiwan has become part of every significant U.S.-European political dialogue (and Lithuanian actions have helped bring it to the fore). Europe is now “very mindful” of the situation, according to a high-level Biden administration official.¹²

That said, Europeans do not want to be “caught in the crossfire” between Washington and Beijing. As a report by a European consortium of think tanks put it in 2020, “the EU sees trouble in both its major partners, and in their rivalry, but it also needs them both for its prosperity. By performing this balancing act, the common European objective is to avoid a bipolar system in which EU member states are forced to pick sides on all relevant policy issues.”¹³ A key finding was that “all EU member states are in a somewhat similar position. They all consider the United States their most important ally and they all depend on its military protection, but they also want to do as much business with China as possible. With this balancing act, the common European objective is to avoid a bipolar system in which EU member states are forced to take sides.”¹⁴ Such a view was still pervasive in 2022 and it explains why the negotiation on a free-trade agreement with Taipei was paused after the CAI was blocked.

Consequences for Europe of a Successful Invasion of Taiwan

Many variables would determine the consequences of a successful Chinese invasion of Taiwan on Europe. As stated, this paper takes as its starting point the hypothesis that the scenario takes place a few years in the future, with economic, political, and military circumstances broadly similar to today.

Economic Consequences

Economic interdependence compels Europe to be interested in what happens in East Asia. Such an interest extends beyond issues pertaining to bilateral trade and investments. The enormous impact of a full-blown war between the United States and the PRC—considerably more than the Ukraine war—would deeply affect Europe. The direct, bilateral (Europe-China and Europe-Taiwan) consequences may be minimal, but every European capital would

suffer from the indirect impact of a war over Taiwan as the global economy would nosedive.

One key variable is the ability and willingness of Europe to impose massive sanctions on China. (European capitals may have done so in the leads-up to the war, as a deterrent, likely only if there was a visible, direct Chinese threat.) The Ukraine experience, here, is instructive. Europe, alongside the United States, attempted to deter Russia from invading Ukraine by threatening to impose, in vain, “massive” sanctions. But Europe did impose such sanctions after the invasion began, despite its heavy dependence on Russian energy (oil and gas).

How much would this precedent be applicable to China? On the one hand, Europe proved surprisingly united in inflicting six batches of sanctions on Russia between February and June 2022, so it may do the same vis-à-vis China. What’s more, European capitals will likely not forget (or forgive) Beijing’s support to Moscow in the current Ukraine war. China, besides, has important vulnerabilities vis-à-vis Europe; Beijing is, for instance, partly dependent on European countries for its semiconductors industry.¹⁵ Significantly, European countries have quietly begun to plan—or at least brainstorm—for the imposition of such sanctions to not be caught flat-footed. Still, the stakes vis-à-vis China would be *very* different than vis-à-vis Russia. The feeling that “our security is on the line” would be less present. There would thus be much less pressure from key members of the Union to act. The bottom line is that it is unclear whether the European Union would be united, let alone ready, to inflict significant economic damage on China.

Of course, Europe would likely accelerate its transition to decrease its dependence on China and Taiwan for health, energy, and digital products and materials. The Ukraine experience has shown that Europe was willing and able to do this for fossil fuels vis-à-vis Russia. But it would be much more difficult and costly vis-à-vis China.

Strategic Consequences

Regardless of whether the PRC seizes Taiwan while encountering little-to-no resistance or whether it is the outcome of an intense fight would have immense

¹²Background briefing to European experts, June 2022.

¹³Europe in the Face of US-China Rivalry, European think-tank network on China, 2020, p. 15.

¹⁴Europe in the Face of US-China Rivalry, European think-tank network on China, 2020, p. 22.

¹⁵Guntram Wolff et al., “Sovereignty and digital interdependence”, in Daniel Fiott (ed.), *European Sovereignty. Strategy and Interdependence*, Chaillot Paper 169, August 2021, p. 21.

strategic repercussions on Europe. There would be spinoffs on European presence in the Indo-Pacific, especially for France. Consider, for instance, if China threatened U.S. Pacific Islands; it would indirectly threaten French territories in the Pacific.

But context matters. First, what would be the strategic landscape on the European continent? Significantly, has the “Russia question” been solved? Second, what exactly happened?

Scenario 1 / Abstention

Even though the U.S. commitment to defend Taiwan is less formal and firm than the one enshrined in the Washington Treaty of 1949—U.S. officials traditionally pledge “to help Taiwan defend itself,” describing this as one of Washington’s “rock solid obligations and commitments”—a deliberate U.S. choice to abstain from intervention would create a strategic shock of the first order.

The magnitude of such a shock would depend on the circumstances. Did U.S. abstention happen in the context of a general U.S. retreat from defense commitments? In such a case, presumably Europe would have had time to realize that it now had to defend itself. Alternatively, did it happen for domestic or other, previously unpredictable reasons? In that case, the impact would be a “Syria-on-steroids” case, in reference to the feeling of abandonment felt in France in 2013 when the Obama administration unexpectedly revised its decision to strike Damascus after a massive use of chemical weapons, an event which, some claim, encouraged subsequent Russian aggression in Ukraine.¹⁶

The question of the protector’s “reputation” and the protégé’s fear of “abandonment” are recurring themes of international relations.¹⁷ A feeling of abandonment can lead an ally to: urge the security guarantor to reaffirm its commitments through inducements (making itself more relevant) or blackmail; cave by siding with an alternate major power; sign non-aggression pacts or pursue appeasement strategies; embark in a nuclear weapon program. For instance, the memory of the British and French decision not to intervene against Nazi Germany in September 1939 led Central European countries, when freed from the Soviet yoke, to place

their trust in the United States. The trauma of Suez in 1956 drove London to strengthen its alliance with the United States but led France to pursue military independence, including through its nuclear weapon program.

While the perceived lack of a credible security guarantee is often—almost always—a key root of nuclear proliferation, it is however unlikely that a U.S. abstention in Taiwan would lead to a nuclear cascade, i.e., a multiplication of nuclear weapon programs among U.S. friends and allies. This is particularly true in Europe for two reasons. First, because the nonproliferation norm is much more enshrined, particularly in democratic countries, than a few decades ago.

Second, because Europe includes two nuclear-armed states, Britain and France, who consider that their arsenals contribute to Europe’s security. What’s more, London and Paris would almost certainly want their nuclear forces to play a stronger role to protect Europe after the PRC invasion of Taiwan. Assuming the NATO “nuclear sharing” arrangements were to disappear, it is not a given that Europe would want to reproduce the same kind of arrangements that currently exist within the Alliance (i.e., permanent stationing of nuclear weapons on foreign soil, certification of dual-capable aircraft, etc.). Recall, incidentally, that only France currently has air-launched weapons which could form the basis of any nuclear-sharing arrangement. But some kind of de facto British-French nuclear umbrella would be possible in any case. Whether or not this would be sufficient to both reassure their allies and be considered a credible deterrent by Russia is another matter.¹⁸

The exception is Turkey, who could possibly, under a nationalist government, embark on a nuclear weapon program. There is also the hypothetical scenario that one or several countries could choose to side with a “victorious” China-Russia couple. But it is unlikely for any EU country. Some European non-EU members, particularly in the Southern Balkans, could go down that path, however.

Scenario 2 / Defeat

The consequences of a “defeat” scenario would also be highly dependent on circumstances, setting aside

¹⁶See for instance David Greenberg, “Syria Will Stain Obama’s Legacy Forever”, *Foreign Policy*, 29 December 2016.

¹⁷See Alexander Lanoszka, *Military Alliances in the Twenty-First Century* (London: Polity Press, 2022).

¹⁸See Bruno Tertrais, “Will Europe Get Its Own Bomb?”, *The Washington Quarterly*, vol. 42, n° 2, 2019, <https://www.tandfonline.com/doi/abs/10.1080/01636660X.2019.1621651?journalCode=rwaq20>.

the hypothesis of a nuclear conflict. Did Europe abstain, or did it participate? If Europe participated one way or another, it would also mean a defeat for Europeans; direct European military participation is unlikely, however, for reasons detailed below. Most importantly, what would be the consequences for U.S. foreign and national security policy? If it drove the United States to turn inwards, the North Atlantic Treaty Organization (NATO) would likely disappear, if not in actuality, at least *de facto*. Europe would then have to rebuild its own security architecture, likely based on British, French, German, Italian, and Polish forces (as well as UK and French nuclear forces). Doing so, however, would not solve—at least for a while—the reliance of European forces on U.S. C4ISR assets, for instance for the U.S. F-35 fighter-aircraft, which is heavily dependent on them. To be sure, in case the United States decided to create a “defense bastion” in the Indo-Pacific to protect its territories and allies and friends, Washington could still underwrite, even from afar, European security, including through extended nuclear deterrence. NATO could then still exist even though its credibility as a protector of “last resort” would be severely affected.

All things equal, this latter scenario might be slightly less damaging for Europe than the former one, including because the “abstention” scenario could be an encouragement for renewed Russian aggressiveness. Then again, Europeans could also rationalize a U.S. abstention as not affecting the U.S. formal treaty-based commitments.

In both cases, the fall of Taiwan would be a wake-up call for Europe that it must act fast to be in a position to defend itself. It is also likely that several European countries—notably France and the United Kingdom—would want to strengthen their security and defense ties with Australia, India, and Japan, assuming the latter did not fall into China’s orbit by choice or by force. All in all, Western defense would be weakened militarily—at least for a while—but likely strengthened politically.

Recommendations

Stop Dreaming, Start Limiting Dependencies

Some Europeans still believe that Europe could act as a mediator between the United States and China.¹⁹ Such myths should be dispelled. Instead, Europe should prepare for a Taiwan invasion. Doing so starts with limiting technological, economic, and financial dependencies on China. The benefits are many. Less dependency means that Europeans would be less vulnerable not only to possible Chinese counter-sanctions in the event of a war, but also to Chinese economic coercion in general. European capitals should leverage the fact that avoiding excessive dependency on China on “sovereignty” goods and services, such as health, energy, and communications, is an increasingly popular theme in Europe in the context of recent international developments, ranging from COVID-19 to Ukraine, not to mention Beijing’s growing assertiveness and aggressiveness. That said, European countries with important and lucrative markets in China (e.g., the German industry) are unlikely to change their approach, unless forced by circumstances.

Engage in Economic Deterrence

Europe can (and should) do deterrence in the economic realm.

Former German ambassador to the United Nations Christoph Heusgen, the head of the Munich Security Conference, suggested that “Beijing should know that [in the event of an invasion of Taiwan] it will not be treated as leniently as it was after the Hong Kong takeover.”²⁰ Others have been more direct, stating that Brussels should be “conveying to Beijing that the costs of aggression toward Taiwan would be high enough to make that aggression unacceptable.”²¹ Thorsten Benner put it this way: “the aim must be to persuade Beijing that Taiwan cannot be conquered ‘at an acceptable cost.’”²² To this effect, European capitals should signal to Beijing that they would impose the most far-reaching economic sanctions possible, including cutting China off from key technologies, such as advanced semiconductors, should Beijing start an armed conflict in the Taiwan Strait. Of note, the United States imports more of such technologies from China than Europe does, so if Washington imposed such a ban (and probably only if it did so), then Europe could do it too. Such a course

¹⁹Robert Williams, Moritz Rudolf, “Can Europe Avert a US China War?”, Project Syndicate, 28 December 2021.

²⁰Quoted in Thorsten Benner, “Peace Through Deterrence: Why Germany and Europe Need to Invest More to Preserve the Status Quo in the Taiwan Strait”, Global Public Policy Institute, 16 March 2022.

²¹Philip Anstrén, “Why Europe’s future is on the line in the Taiwan Strait”, Atlantic Council, 24 March 2021.

²²Thorsten Benner, “Peace Through Deterrence: Why Germany and Europe Need to Invest More to Preserve the Status Quo in the Taiwan Strait”, Global Public Policy Institute, 16 March 2022.

of action should be discussed in advance in the EU-U.S. Trade and Technology Council established in 2021.

What about counter-sanctions? China is the top trading partner of the European Union, but for goods only. When it comes to services, the European Union's largest (and by far) *export* partner is the United States. What's more, Europe may be dependent on China, but so is China on Europe. Beijing needs access to the European single market and to European technology for its economic development. As the aforementioned IISS report puts it after having examined precedents, "it's the fear of a potential Chinese punishment that has prevented European policymakers from engaging more comprehensively and effectively with Taiwan, rather than the actual response from Beijing."²³

In the event of visible PRC preparations for an invasion, Europe should also coordinate with the United States, as it did in 2021 when Russian troops massed around Ukraine. The goal should be to deliver a strong deterrence message, and one that would have to be stronger and clearer than the one issued to Russia, which, obviously, failed.

Consider Military Involvement ... and Say It

Can European deterrence include a military component? This is a trickier question.

It is unlikely that Europe would participate directly in repelling a Taiwan invasion. Europeans are not dying for Kyiv in 2022, so it is unlikely that they would be ready to die for Taiwan in 2025. (To be sure, neither are Americans, but Washington is closer to Asia and has defense commitments in the region.) "Dying for Taiwan? It's a faraway place, Taiwan. In NATO, they had not signed up for that," writes veteran French diplomatic correspondent Sylvie Kauffmann.²⁴ Europeans would likely be scared of being embroiled in the conflict and, beyond sanctions, would want "de-escalation."

On paper, however, several European countries—in particular France, Germany, Italy, the Netherlands, the United Kingdom, Spain, and Poland (the biggest military spenders)—have capabilities that could assist the United States in dealing with a Taiwan contingency. This includes, in particular for the United Kingdom and France: maritime expeditionary forces, C4ISR systems, cyber capabilities, precision-guided munitions, long-range air and maritime strike, air-defense systems, and electronic-warfare systems, as well as systems to take down enemy air defense aircraft and weapons. But the United States may need such capabilities, to say nothing of the wartime integration of forces, with complex command and planning consequences. Also, Europe would have to project forces far away at short notice, and face basing problems given that U.S. reinforcements would use most "available space." (There are no European bases nearby.) Most importantly, unless Europe's environment was pacified and stable, there would be resistance in European capitals because, as one analyst has put it, "the European capabilities and forces that would be the most useful in a Taiwan war scenario are by and large those capabilities that would be needed in a high-intensity conflict with Russia in Eastern Europe."²⁵ In the (hypothetical) case of a near-simultaneous Russian attack in Europe, the U.S. Army could still play a major role—it would not be heavily involved in a Taiwan contingency and is keen to remain engaged in Europe—but, as another analyst points out, "the USN [U.S. Navy] and USAF [U.S. Air Force] would largely play support and coordinative roles."²⁶ Significantly, it is not widely known that during the Obama administration, for the first time ever, "the United States formally clarified to allies (...) that should a crisis arise in the NATO Treaty Area a significant portion of its capabilities and capacity might be committed to Combatant Commands in other regions and hence not available to NATO."²⁷ What's more, since 2018 the United States has given up the old "two simultaneous wars" construct (though it was never developed for two major wars, such as wars against Russia and China). Europeans, then, would not be able to hide behind the Americans to blunt and counter a Russian attack,

²³Henry Boyd et al., *Taiwan, Cross-strait Stability and European Security: Implications and Response Options*, International Institute for Strategic Studies, March 2022, p. 13.

²⁴Sylvie Kauffmann, "Mourir pour Taïwan? C'est très loin, Taïwan. A l'OTAN, les Européens n'ont pas signé pour ça", *Le Monde*, 20 Octobre 2021.

²⁵Henry Boyd et al., *Taiwan, Cross-strait Stability and European Security: Implications and Response Options*, International Institute for Strategic Studies, March 2022, p. 4.

²⁶Robert Farley, "Can the US Military Still Fight a Two Front War and Win?", *The National Interest*, 22 January 2021.

²⁷Robert G. Bell, *NATO Nuclear Burden-Sharing Post-Crimea: What Constitutes "Free-Riding"?*, A Dissertation Submitted to the Faculty of The Fletcher School of Law and Diplomacy In Candidacy for the Degree of Doctor of Philosophy, June 2021, p. 61.

and “backfilling” (see below) would be the order of the day.

Still, planning even for an unlikely engagement is helpful, including for deterrence purposes (assuming there is some form of public communication about it) as well as transatlantic political relations.

There is also the possibility that Europe could get involved and embroiled in the conflict whether it wants it or not. China could warn NATO allies to “stay out” by reminding them of their vulnerability to cyber-attacks and missile strikes, which, in turn, would force Paris or London to counter Chinese threats through deterrence. Or even absent a strong European reaction, Beijing could decide that threatening U.S. allies as the “soft underbelly” of the West is a good way to threaten Washington. Additionally, a missile threat against the continental United States could compel NATO allies to express their solidarity with Washington (only the continental United States is included in the NATO Treaty area) and get involved. The possibility of a direct threat against a U.S. Asian ally—Japan in particular—would be less certain to trigger any specific European involvement. Europeans have no formal commitments vis-à-vis U.S. Asian allies, with the notable exception of South Korea.²⁸

On some dimensions of crisis management, Europeans could also bring a meaningful contribution. They would likely want to get involved in the evacuation of its nationals from the Island. (There are roughly 15,000 European residents in the RoC’s territory.)²⁹ Some European countries may also end up getting involved in maritime security operations—for instance in the South China Sea to secure vital arteries of global trade (though probably not through a deliberate blockade of Malacca Strait for instance, a scenario proposed by Dutch experts).³⁰ “U.S. military planners are not counting on Germany or France sending warships, or Britain sending a carrier in the case of a conflict over Taiwan. But when those countries send ships to the South China Sea, or transit the Taiwan Strait, it sends a strong signal to China.”³¹ France and the United Kingdom, by virtue of their permanent membership of the UN Security

Council and their roles in the Indo-Pacific, would have specific reasons to participate in such scenarios. Significantly, a surprisingly high number of EU countries (twelve) seem ready to contribute to freedom of navigation operations in the Indo-Pacific.³² Europe could also be involved in assisting Taiwan, the United States, and other friendly countries in the region to counter Beijing’s cyber and information operations.

The most important contribution of European armed forces, however, would probably be indirect. Europe would engage in “backfilling,” that is, replacing the United States military presence in other areas such as the Middle East and the Mediterranean, especially at sea (these areas being where the U.S. Navy’s 6th and 5th fleets are deployed).

Finally, Play the Scenario

Whether or not it ends up participating in a conflict over Taiwan and whatever shape such a participation would take, European countries should engage in contingency planning, perhaps in the framework of the European Intervention Initiative.³³

Doing so should include military consultations with the United States. Recently, it was reported that “the U.S. has held top-level talks with the UK on how they can co-operate more closely to reduce the chances of war with China over Taiwan and to explore conflict contingency plans for the first time.”³⁴ The United Kingdom, however, may be an outlier as most other countries are hardly interested in discussing such issues with Washington, with the exception of France. There is a role here for quiet “1.5-type” (experts and officials) dialogues on these issues. British and French think-tanks should lead the effort—on their own as well as in association with U.S. counterparts—to help Europeans to think through the strategic and military consequences that a U.S.-China war over Taiwan, for Europe and beyond. This is a prerequisite not only so that the matter percolates to the political level, but also, assuming there are spin-off publications, for public awareness of the growingly interconnected nature of this problem.

²⁸Declaration of the Sixteen Nations Relating to the Armistice, 27 July 1953.

²⁹Antoine Bondaz & Bruno Tertrais, “Europe Can Play a Role in a Conflict Over Taiwan. Will It?”, *World Politics Review*, 23 March 2021.

³⁰Joris Teer & Tim Sweijs, “If China Attacks Taiwan, What Will Europe Do?”, *The Diplomat*, 28 October 2021.

³¹Sarah Ebner et al., “US and UK hold high-level talks over China threat to Taiwan”, *The Financial Times*, 2 May 2022.

³²See Frédéric Grare & Manisha Reuter, *Moving Closer: European Views of the Indo-Pacific*, European Council on Foreign Relations, September 2021, p. 11.

³³Nicolas Regaud, *Rising tensions in the Taiwan Strait: what are the stakes for Europe?*, Strategic Brief 17, IRSEM, 17 February 2021.

³⁴Sarah Ebner et al., “US and UK hold high-level talks over China threat to Taiwan”, *The Financial Times*, 2 May 2022.

Conclusions

David Santoro & Ralph Cossa

The following key findings and recommendations can be teased out from this volume:

Finding: It matters little whether Taiwan falls without or despite U.S./allied intervention. The only thing slightly worse than the United States intervening and failing to reverse a PRC invasion of Taiwan would be the United States not intervening at all. A failure to come to Taiwan's aid would be devastating to U.S. credibility regionally and globally and would damage if not destroy the entire U.S. alliance network. A failure to intervene would embolden the PRC, Russia, North Korea, and others to be more aggressive in the pursuit of their interests. If the United States tried but failed, all eyes would be on what Washington would do next. If the decision were to retreat to "Fortress America," the damage to U.S. and alliance credibility would again be devastating. Only the Indian author predicted that this would be Washington's choice.

Recommendation: The United States should be clear-eyed and assume that it would be in its interests to respond—and win—should the PRC move to invade Taiwan. Because it should account for the possibility of a failed intervention, the United States should also plan and reflect on what its next moves should be to engage its allies and partners if China takes Taiwan. The United States should be clear that it would not accept failure to remain unchallenged and that it would work with its allies and partners to help reverse the *fait accompli* created by the PRC. The United States should rule out retreating to Fortress America: it would not be in U.S. interests because it would likely signal U.S. acceptance of a PRC win and the advent of a *Pax Sinica* in the Indo-Pacific.

Finding: There is uncertainty about Washington's next move after Taiwan's fall. While the Indian author was confident that a beaten America would opt for a Fortress America approach, since the credibility of its alliances would be damaged beyond repair, others were not so sure. Some argued that turning and running is not in America's DNA and that it would stay involved and fight on, with its allies, to prevent further PRC expansionism, if not to take Taiwan back. Others said it would be much more situation-dependent but believed the United States should work to restore the credibility of its alliances and continue to confront the PRC. To several authors, there would be a need to build an Asian equivalent to

the North Atlantic Treaty Organization (NATO) to prevent PRC adventurism and ultimately to retake Taiwan.

Recommendation: The United States should not lose sight of the fact that its allies, partners, and friends expect much from Washington, especially leadership in difficult times. Even if retreating to Fortress America were not an option after Taiwan's fall, failure to lean in and rebuild actively would have disastrous consequences for the United States; it could sink its leading role in the world once and for all. The United States should thus actively bring its allies and partners together to halt further adventurism and ultimately mount a counter-offensive against the PRC.

Finding: The PRC would become more aggressive toward its neighbors if it were successful in taking over Taiwan. Beijing would not sit back and rest on its laurels after having "recovered" Taiwan. A few, including our Japanese author, feared that Japan would be next, especially if it participated in the attempt to defend Taiwan. Others saw the South China Sea as a likely area for increased PRC assertiveness. The Indian author worried about a flare-up on the PRC-Indian border, while the Australian author saw an expansion of PRC influence in the South Pacific and increased pressure on Canberra to terminate the U.S.-Australia alliance and the newly concluded Australia, United Kingdom, United States security arrangement, dubbed AUKUS.¹ The Australian author envisioned that Australia would stay the course with the United States despite internal debate, but feared that New Zealand would be more inclined to accommodate the PRC. The Korean author, while likewise worried about increased PRC assertiveness, was more concerned that the PRC would give a green light to North Korea to march south.

Recommendation: The United States should seek to rally the region and the world to help prevent the PRC from taking Taiwan by showing how such a development would have a very direct impact on many countries, exacerbating risks and threats that these countries deemed "more immediate" or "more urgent." Rallying the region around this problem should be a first-order priority for Washington. This entails making every effort to raise awareness, both privately and through targeted public information

¹See, for example, Jason Scott, "Australia PM Defiant After China Airs 14 Grievances," *Bloomberg News*, Nov. 18, 2020.

campaigns, of the costs and risks involved in a PRC win over Taiwan and urging every regional player to take concrete actions to build a stronger collective deterrence and defense architecture in the Indo-Pacific.

Finding: Taiwan is in a strategic location in Asia. Its military and intelligence capacity can help Japan and other East Asian countries to avoid the threat of PRC expansionism. If Taiwan fell to the PRC, Beijing would gain unique military bases and intelligence facilities and would have unencumbered access deep into the Pacific. In addition to seizing a critical intelligence-gathering hub from the United States and its allies and shattering regional and global supply chains, Beijing would be able to hold U.S. forces in Okinawa and Guam at risk and invade vast territories of Japan and the Philippines, while also strengthening its dominance in the South China Sea and Southeast Asia. By deploying military units on Taiwan, Beijing would also be well positioned to deny the United States and its allies the ability to maintain a forward presence in the Pacific. The net result would be greater PRC freedom of action across East Asia to pursue further territorial ambitions. That is why the Australian author characterized Taiwan as “a linchpin to China’s hegemonic ambitions across the entirety of East Asia ...”

Recommendation: Rallying the region around the danger of a PRC takeover of Taiwan should emphasize the military dangers that would come next, i.e., greater PRC dominance of the region and the establishment of a PRC sphere of influence tightly controlled by Beijing.

Finding: If the PRC took Taiwan, other authoritarian states would become more aggressive in the pursuit of their own interests. As one author notes (and several others agree), the fall of Taiwan, especially if it came about due to U.S. inaction, would signal that a rules-based order where “might does not equal right” is over, and it is a “free for all.” North Korea is a primary concern, but so is Iran. Additionally, Taiwan’s fall would provide increased incentive for Moscow to continue its quest to restore Russia’s lost empire, although its ability to do so will hinge, at least initially, on its capabilities post-Ukraine.

Recommendation: In public statements as well as in private discussions with its allies, partners, and others, the United States should point out that the advent of a “free for all” regional and international (dis)order would have disastrous consequences for

everyone. The United States should also stress that a net result would be to delay (even stop) progress on many of the issues that a vast majority of countries deem a priority, such as fighting climate change, pandemics, or any other non-traditional security threats.

Finding: Nuclear proliferation would likely follow the fall of Taiwan in parts of Asia because regional states would fear that they could be next on the PRC’s hit list and would have good reasons to doubt the ability (even the willingness) of the United States, the region’s primary security guarantor, to defend them. Japan, South Korea, and Australia would consider going nuclear, though all three would also want to maintain their alliance relationship with the United States. Only the Indian author expressed doubts that it would happen, although not because of a lack of interest from regional states: because the PRC would extend its nuclear umbrella to prevent proliferation. Significantly, the U.S., Japanese, Australian, and South Korean authors all regarded proliferation by others as inevitable, while being more nuanced when it comes to proliferation by “their” country. The U.S. author assumed proliferation by Japan, South Korea, and Australia to be likely. The Japanese author assessed South Korean proliferation to be likely, increasing the odds that Japan would go nuclear too, but did not believe it would be unavoidable. The South Korean author assessed that both South Korea and Japan would be tempted to go nuclear, with the caveat that South Korea going nuclear would depend on the party in power in Seoul; it would only be likely with a conservative government. The Australian author assessed Japanese and South Korean proliferation to be likely and said that while Australia would consider going nuclear, Canberra might instead seek a nuclear sharing arrangement with regional states.

Recommendation: Today there are already many good reasons to strengthen U.S. extended deterrence because the balance of power in Asia is shifting fast in the PRC’s favor. In the event of a PRC military takeover of Taiwan, strengthening U.S. extended deterrence would become an utmost priority. The United States would likely have to do a fundamental rethink of the way it extends deterrence, notably nuclear deterrence, to its allies, both to increase their security and to make it unnecessary for them to go nuclear.

Finding: Nuclear proliferation is unlikely to extend beyond Asia. The European author, for instance,

suggested that proliferation would not happen in Europe as a result of Taiwan's fall to China. The nonproliferation norm is strong there and for that to happen, it would take both a complete loss of U.S. credibility and a direct and perennial threat to Europe; the only possible candidate in the current scenario would be Turkey but even then, it would be an unlikely development.

Recommendation: The United States should keep in mind that nuclear proliferation is primarily a response to local or regional issues. Resolving these issues is thus essential to stall, stop, or reverse proliferation. Additionally, the United States should not underestimate the power of nonproliferation norms (which it should make every effort to strengthen) and, more generally, the power of its stabilizing role as a regional and global security guarantor. In addition to reinforcing its defense commitments to its allies and partners, the United States should thus invest time and efforts in nuclear diplomacy and in strengthening the nonproliferation regime.

Finding: Taiwan's fall to China would likely break some U.S. alliances and reshape strategic relations in the Indo-Pacific. One author assessed that the Philippines and Thailand would likely break their alliance relationships with the United States (because they are already fragile) and surrender to PRC hegemony. In addition, others talked about the possible (and for some the likely) bandwagoning of many states towards the PRC as the new center of power. Such a development would be especially likely if an "axis of authoritarian states" emerges, dominated by China and Russia, that has drawn the conclusion that nuclear coercion (or nuclear use) helps score geopolitical points.

Recommendation: In addition to considerably strengthening its alliances and nuclear umbrella with its current allies, the United States should consider deploying it over other countries (starting with clearer commitments vis-à-vis the Philippines) or, at minimum, engage in much closer security cooperation with them.

Finding: There is disagreement as to whether a region-wide nuclear sharing arrangement (with or without the United States) would be beneficial. Our Korean and Indian authors ruled out the option. The latter said that it is something that the United States can foster before there is an invasion, not after. The former, meanwhile, said that it is not an option,

especially under the current administration. Others were not as blunt. Our U.S. author explained that such an arrangement has potential with the United States, but not without. He stressed, however, that a U.S.-led "Asian NATO" would be more likely. Others hoped to keep the United States in a regional-wide nuclear sharing arrangement but did not rule out arrangements without it. The Australian author, for instance, assumed that the United States would likely be unwilling or unable to join, and suggests that regional states would—and should—not wait. The Japanese author concurred about the U.S. unwillingness and inability to conclude such an arrangement; he remained silent about Japan's interest in joining without the United States. The European author, meanwhile, stressed that the disappearance of NATO's nuclear sharing would prompt the United Kingdom and France to consider forming a joint extended deterrent (distinct from a nuclear sharing arrangement) as a complement to the U.S. nuclear umbrella, or if there was a U.S. "retreat from the world."

Recommendation: The United States should conduct a wide-ranging research effort to reflect on the ends, ways, and means of concluding nuclear sharing arrangements with its Indo-Pacific allies. This effort should draw on the NATO experience but be tailored to the Indo-Pacific, and it should explore the potential benefits as well as the costs and risks that such arrangements would entail.

Finding: Even before the latest PRC show of force around Taiwan in August 2022 (when the PRC conducted military exercises around the Island), there was general agreement that the United States and its allies and partners should coordinate and cooperate more closely to signal resolve and enhance collective deterrence and defense in the Indo-Pacific. Ukraine was a wake-up call that revisionist powers might be willing to use force to "right historical wrongs." Reflecting on the implications of a PRC military takeover of Taiwan has made strengthening collective deterrence and defense even more of a priority.

Recommendation: The United States should double-down on its defense arrangements and security assistance to threatened allies and partners, especially Taiwan. Practically, that means it should make its defense commitments much clearer and take steps to develop and deploy with them new capabilities. While the differences between Ukraine and Taiwan—geographically and in terms of real and

perceived U.S. commitment—are clear, there is a danger that the PRC might equate Washington’s and/or NATO’s reluctance to engage a nuclear-armed Russia directly, especially if Russia is issuing not-so-veiled nuclear threats, with a similar reluctance or refusal to confront a nuclear-armed PRC.

Recommendation: The United States should make clear that nuclear weapons would have a role to play in a Taiwan contingency. In that spirit, the United States should significantly strengthen deterrence, including nuclear deterrence, and it should reject outright any “sole purpose” or “no first use” statement.

Finding: Thinking about U.S. policy vis-à-vis Taiwan is evolving. All but two authors argued in favor of abandoning strategic ambiguity today; the Japanese and Korean authors worried about the PRC’s reaction to an explicit policy change. However, they, and everyone else, saw the need for the United States to articulate and demonstrate its resolve and preparedness to respond more clearly when it comes to the defense of Taiwan. The bottom line is that the PRC should not doubt that the United States will respond militarily, as well as economically, politically, and diplomatically, to an invasion of Taiwan.

Recommendation: The study’s general conclusion is that the best U.S. response to the fall of Taiwan would be a concerted effort with like-minded U.S. friends and allies to prevent further PRC aggression, if not through an “Asian NATO” then through a reinvigoration of existing alliances and new defense arrangements. As a result, it makes sense for the United States to enhance Indo-Pacific deterrence now to dissuade the PRC from moving against Taiwan in the first place, or to ensure that such an effort would fail. It is time to act, and act fast. Action must be coordinated with allies and partners that also have much to lose, in both economic and security terms, should Taiwan fall under Beijing’s control.

ABOUT THE AUTHORS

Ralph COSSA is President Emeritus and WSD-Handa Chair in Peace Studies at the Pacific Forum.

Malcolm DAVIS is Senior Analyst at the Australian Strategic Policy Institute.

Ian EASTON is Senior Director at the Project 2049.

Jabin JACOB is Associate Professor at the Shiv Nadar University and Adjunct Research Fellow at the National Maritime Foundation.

Matake KAMIYA is Professor of International Relations at the National Defense Academy of Japan.

Duyeon KIM is Adjunct Senior Fellow with the Indo-Pacific Security Program at the Center for a New American Security.

David SANTORO is President and CEO of the Pacific Forum.

Bruno TERTRAIS is Deputy Director of the Fondation pour la recherche strategique and an Advisor for Geopolitics at the Institut Montaigne.



PACIFIC FORUM
INTERNATIONAL

PACIFIC FORUM INTERNATIONAL

1003 BISHOP ST. SUITE 1150, HONOLULU, HI 96813

(808) 521-6745 • PACIFICFORUM@PACFORUM.ORG • WWW.PACFORUM.ORG