WEBINAR SUMMARY:

Taiwan and China: Implications for the World

Talk by Dr Ryo Sahashi and Charlie Parton, moderated by Cindy Yu

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Dr Ryo Sahashi's Talk:

Thank you very much to the Daiwa Foundation for inviting me to this special occasion to speak in front of you. My name is Ryo Sahashi. I am an associate Professor at the University of Tokyo Institute for Advanced Studies on Asia. This is very good timing to talk about Taiwan and the future of Northeast Asia as yesterday was the inauguration speech and ceremony for the new president of Taiwan or Republic of China. So let me start by making my comment on the new president of Taiwan. Then I will discuss the state of the U.S-China relations, as well as what the Japanese policy is, and what the future will look like.

Let me start with yesterday's speech by the new Taiwanese president, Lai Ching-te. As you may know, yesterday was a day to celebrate the new president of Taiwan. He was the vice-president for Tsai Ing-wen, who was the female president of Taiwan for the last eight years. Both belong to the Democratic Progressive Party, DPP in Taiwan. You may also know that President Tsai Ing-wen was a more moderate type of person in handling Taiwan and Taiwan's foreign policy. There are rumours that the new president Lai Chin-te has some inclination to retain Taiwan's independence. So the situation over Taiwan could be very unstable. However, actually, yesterday's speech was not that big of a surprise. The speech was a kind of new case of moderate foreign policy of Taiwan. What he made clear is that he will not provoke China that much. You may remember President Chen Shui-bian, who was the Taiwanese president back in 2000, who also belonged to the DPP, but he tried to make a lot of provocations against China. That stimulated the involvement of the United States and President George Bush. Many people were worried that this new president would be very provocative against China. But yesterday's speech was very moderate.

I will cite some key points from his speech: he said "Our government will uphold the four commitments, neither yield nor provoke and maintain the status quo. I hope that China will face the reality of the Republic of China's existence, and respect the choice of the people of Taiwan." In his speech, he repeatedly mentioned the Republic of China Constitution. Some people from mainland China said it was not satisfactory because he didn't say anything about the 1992 consensus. China wants some confirmation from Taiwan's side on the 92 consensus.

This is the bottom line. But Lai Ching-te didn't say anything about 92 consensus. So from the mainland China perspective, this inauguration speech was not satisfactory. But from my perspective, the text overall was not provocative. This is what they have to say as a new president. We have to accept this line of ideas, as a kind of representation of Taiwanese identity. Having a moderate policy will be important for him to keep his political legacy and political survival.

Another very important thing is China-American relations. China-American relations at this moment are actually very stable after last year's November's summit meeting in San Francisco between Xi Jinping and Joe Biden. It's not to say that there's no rivalry or competition between the US-China; they still have a very high level of distrust towards each other. Also, the United States has many economic regulations to weaken the base of Chinese technology and science. China has also tried to prepare a lot of economic coercive measures to retaliate against the United States and its partners. So I don't think they have fixed their relationship. But at the same time, they are now succeeding in managing the relationship between Beijing and Washington. So it also contributes to the regional stability along the Taiwan Strait. But we also have to understand how China perceives the situation. Recently, for the last 6 years, the United States has enhanced their deterrence capability significantly, activating their alliances with Japan, Taiwan, and also many European countries. So this has likely upset China.

But at the moment there is a lot of misunderstanding and misperception about the U. S. and its partners' intentions. That is a source of concern, even though the United States and China have begun to have a better relationship, and Taiwan's new president is trying to not be provocative in the situation. Chinese perception is something different. So we have to come up with some measures, not only to deter China, but also to reassure China. But that doesn't mean we should give up our preparations for any kind of contingency about Taiwan. We have to deter any kind of action from Chinese military activities, but also we have to consider the situation more, as it could include economic blockades and coercion along the Taiwan Strait. It's very bad news if China starts to employ economic blockades to change the situation in Taiwan, and many countries will naturally become involved. Not only Japan, but also the UK and other countries in Europe, Asia and the rest of the world. I think in the last few years we focused too much on the military situation, like the possibilities of invasion of Taiwan. But we have to deter and also prepare for any kind of scenario, including military, but also economic. So this is my take about the current situation.

In Japan, we care very much about the situation in Taiwan. I believe my colleague Charles, the next speaker, will show a map and you will notice how close Japan and Taiwan are on the map. We are very close, in particular the Okinawa Islands, our tropical islands are really close to Taiwan. So we have a lot of concern about the situation in Taiwan. In the last few years, in security discussions, we have mainly discussed the situation in Taiwan. Of course we also discussed North Korea, as there are many nuclear and missile capabilities. But policymakers have actually focused so much on Taiwan. Why? The big trigger for our attention is the American Indo-Pacific commander, Davidson's remarks in US Congress. In 2021, he said in six years, the China PRC may invade Taiwan. So this made Japan worried.

I recently wrote an article on how the Japanese government has finally decided to increase the defense budget to 2% of the national GDP, as well as introducing a counter-strike capability. So we are now in the process of a big transformation of the Japanese national security policy. So for that sake, I conducted many interviews with top policymakers in Tokyo with my colleague, Dr. Ayumi Teraoka. We published the article this year in the Pacific Affairs. I conducted, in total, two dozen interviews with Japanese policy makers in the government and also MPs. Many people said that Davidson's speech raised alarm bells for them, and resulted in their support for radical reform to the Japanese security policy. So Japan has very big concerns about Taiwan. Japan is quite a new player strategically in the situation in the Taiwan Strait, and Japan has been teaming up with the US more. Japan and the US have started to have a very high level of interoperability in the last few years and maybe even more in the coming years.

So what will happen in the next few years? I think the biggest game changer is the American presidential election. I don't believe in the next six months that a massive change will occur. China will wait and see who wins the US presidential election. My concern is not Biden. Trump may not support the election result. That is our concern. But beyond that, if Biden is elected, he may have a kind of balanced stance to the situation of Taiwan. So, not a big change. The US still has a big intent to restrain Taiwan and China simultaneously. So the U.S. might be a stability seeker in this situation. But if Trump is elected, an uncertain stance toward Taiwan is a problem. He was very unclear on his stance on Taiwan in his first administration. During his second campaign, he was again very unclear on his stance towards Taiwan. So that's the first concern.

The second concern is actually the future staff of Trump in the White House National Security Council, as well as in the Pentagon and also in the State Department: they might be more hawkish to China. You may think that will be fine for Taiwanese security, but my concern is they might be very demanding of Taiwan. They might ask them to increase the defense budget radically, to purchase U.S. arms more. So that might create some distance between Taipei and Washington. That's my concern. In Taiwan, there is a sense of uneasiness towards the United States. So after Trump is elected, I think such a concern among the Taiwanese might be strengthened. That gap between Taipei and Washington could be a new problem. Maybe Taiwanese people want to see more loyalty from Japan, but Japan is not prepared to take more responsibility, militarily especially, to the situation in Taiwan. So that could be a source of concern. This is a concern for the future. So Trump could be a game changer.

Let me wrap up my presentation. As I said, the situation at this moment or in the coming six months might be stable. But we have to take a look at the situation along the Taiwan Strait very closely, because if something happens, militarily or economically, that has a big impact on not only Taiwanese people, but also our people, our economy, and our society. To European people, Taiwan might sound very far away. But I think you have to take a closer look at the situation over Taiwan.

Finally, how should we view Taiwan's position in international relations? This is actually a very important question. Taiwan currently does not even have an observer status in the World Health Assembly. So that is a concern. But also perhaps we want to consider Taiwan's relationships with emerging multilateral partnerships in Asia. I don't think we have to invite Taiwan to AUKUS at this moment. I know that in the future, Taiwan might be welcome to join the CPTPP. But at this moment, I think it is more important to have a more meaningful partnership with Taiwan in many situations. In terms of functional cooperation, we don't have enough framework to have cooperation with Taiwanese counterparts. So we don't need to aim for very high objectives, but we need to take the first step, and do things that we can do relatively easily with Taiwan's counterparts in many functional areas. That will be very important for us to achieve peace and stability over the Taiwan Strait. So I want to say thank you again for listening to my presentation. I really want to hear your opinions and questions in the Q&A session.

Cindy Yu:
Thank you so much for that presentation, in particular on the Trump aspect, because I have always thought that Trump is very hawkish on China, so the Taiwan stance wouldn't change, but what you said about how demanding they would be on Taipei was really interesting and what that might trigger in terms of Taipei-Washington relations. Charlie, let me hand it over to you for now.

Charlie Parton:
Thank you, Cindy. I'm going to look at a couple of things. There's been a lot of talk about a possible invasion or existential blockade of Taiwan. I'd like to look at the conditions that would have to be satisfied for that to be carried out by the Chinese Communist Party. I believe that neither blockade nor invasion will go ahead, incidentally. I'd also like to look at, in the absence of that, what is likely to happen over the next decade. Then finally, what this means for foreign countries.

This map is a map with special Chinese characteristics; it gives a very good idea of why China feels so in need of ensuring that it controls the South China Sea and getting back Taiwan, because of its own security feelings. So let me just start then with a couple of conditions that would need to be satisfied before invasion or blockade becomes possible. First on the military side; I think a blockade could be carried out now. I think the PLA Navy, with a combination of its Coast Guard, its militia, and missile capabilities, could impose a blockade on Taiwan. But then you have to consider what the US reaction to that would be, including threats to China and the Malacca Straits and the Sundar Straits. It could easily badly interfere with the Chinese economy. Also, a blockade really does lead to a risk of an all-out war. But it is possible. I think there are other good reasons as to why it won't happen.

But when it comes to invasion, I don't think the Chinese military is going to invade unless it is very confident indeed that it can carry out success in a short time. That is, I think, a long way off. It's not just that the seas are very difficult. It's only a couple of months, a year that they're calm enough for that sort of invasion. There are only 14 beaches you can land on and they're much more easily defended than if Taiwan was wide open. Taiwan

is building up its porcupine defense. So even though there's going to be a massive inequality in terms of conventional forces, it doesn't make it easy to take the island. Then you have to think: what would the US do? It's going to have plenty of warning that an invasion is imminent. You need to mobilise somewhere in the region of up to two million people to launch a successful invasion. Even if you do manage to get ashore, then what happens? What will the resistance be like? This is one enormous gamble. If Xi Jinping and the Communist Party fail, then I think they fall. So I'm not with Admiral Brett Davidson on this one, I don't think it is likely in the next few years.

The second most important condition for an invasion or an existential blockade, would be that Taiwan ceases to be economically important to the world. Of course, that's particularly with reference to semiconductors, but also wider. Also unimportant economically to China. So there I think we have to look at the question of TSMC, which produces around 90% of the world's advanced semiconductor chips and around about 50% of conventional. How easy is it going to be, either for China to replace that, or indeed for the US, which is getting TSMC to set up plants in Arizona, etc? How easy is that to do within the next decade, in effect, to make Taiwan marginal in terms of semiconductor production? I suggest that it actually won't be possible, but other experts may disagree. The second thing is that Taiwan exports to China. At its height in 2021, it was 189 billion worth of exports, most of those components. So if that ceases because there's an invasion or blockade, imagine the effect on the Chinese economy. All those components go into products on the Chinese mainland, which either go into use on the Chinese mainland or export it. That's going to be a massive economic attack on the Chinese and global economy.

But it gets worse than that. I think this is why the economic argument is so strong against invasion. What's going to happen to shipping and insurance rates? 30% of global shipping trade currently goes through the Taiwan Straits. Well, it doesn't take a genius to work out that insurance will almost certainly not be available and ships are not going to be risked by their owners going through that. So think of the economic disruption that that causes. What will happen to trade and investment with Western countries? It's going to dry up. That's before sanctions come into play. There will be sanctions, not just by the US, but I think by Europe. Even Switzerland said it would impose sanctions to the degree that the EU imposed sanctions. So I think you can take the threat quite seriously. It’s not just sanctions, of course, there could be constrictions on food supply to China and resources supply from the US, Australia and others.

So the result of all that, what would happen? It would be an enormous global crash. Various people have tried to calculate how big that would be, it ranges from sort of 4% to 10% of the global economy. I think it'll probably be larger than that. But more importantly, perhaps from the Chinese Communist Party's point of view, just think of what the effect will be on the Chinese economy. It'll crash big time. Even in 10 years' time, will there be a sufficient social security net in China to offset the effects on the Chinese people of unemployment, hunger, etc? I think given the way the Chinese economic model is going and it's reached I think the limits of its effectiveness, which is what Xi Jinping declared in 2013 at the third plenum when he said, echoing Wen Jiabao, that the Chinese economy was “unbalanced, uncoordinated and unsustainable”, hence the 2013 reforms. Well, they

haven't been implemented. We'll see what the third plenum in July brings forth. But I think the economic model we've seen has plateaued. I don't think, therefore, we're going to see a deep social security net in China in the next decade.

In the absence of that, as I say, there will be massive mass unemployment, mass hunger and mass anger. Guess where that gets directed? Because all good things come from the Communist Party, but all bad things have to be laid in store. Would the Communist Party survive that? I think it's a moot point. I always think of the Delphic Oracle and the example of Croesus who consulted it when he wanted to invade the Persians. The Delphic Oracle says, “If Croesus goes to war, he will destroy a great empire” and he duly did, his own. That’s what would happen to the Chinese Communist Party. At which point people say, yes, but history is littered with examples of politicians who do foolish things. Look at Putin and the invasion of Ukraine. That's not turned out too well so far. Why wouldn't Xi Jinping, if things were getting economically bad, go into Taiwan? I just don't think that's a gamble he'd take because it's not a gamble. What it would do, as I've already said, is simply speed up the economic mess that already would have existed and increase the threat to the CCP's hold on power. I'm sure he can work that one out.

So, what are we going to see then in the absence of blockade and invasion? I don't think the next 10 years are going to be all sweetness and light. Indeed, what we've seen so far from the CCP's reaction to William Lai's inauguration speech, it's been fairly, as one might expect, cutting. But the CCP has a problem. The latest poll from mid-last year revealed that in Taiwan, 67% consider themselves to be Taiwanese, 28% consider themselves to be Taiwanese and Chinese, and only 3% consider themselves to be Chinese. When a year or two earlier, Taiwanese people were polled on the question of unification, only 6.5% wanted unification. So that's not going to change much over the next decade. Therefore, in the absence of invasion and blockade, China and the Communist Party has very little alternative other than to continue with the sort of pressure that it's been doing, threatening invasion, military posturing but not actually carrying it out.

More specifically, what are we likely to see? I'd be interested to see in the question and answers whether people can come up with other things. But the things that immediately occurred to me are far more efforts to undermine the DPP and play divide and rule with KMT, and setting the TPP against the DPP. I think we're going to see a lot more cyber attacks on the government, possibly on the infrastructure, and have a lot more interference by the United Front. How far that will go in the long term, I suppose it could even foment insurrection. But I think that's going to be a long way down the line. Other things include increasing Taiwan's global isolation. It's down now to 13 diplomatic allies. That will probably fall. As well as ensuring that Taiwan in other international organisations is kept out. I think we'll see a revamping of the 2005 secession law. A number of Chinese legislators have already talked about that. That almost certainly will, I think, include a version of the Article 38 of the Hong Kong security laws. There have been prosecutions already under the secession law of Taiwanese living in the PRC. There will be more and more worldwide if this extraterritoriality comes in.

We'll also see more pressure on Taiwanese companies, for sure. There already have been one or two occasions where Taiwanese companies have been subject to fines and investigations. These companies supported the DPP with financial contributions. I think they also supported the KMT, but the fact is they supported the DPP too. I think we're going to see a lot more military activity, including longer temporary blockades where live fire exercises are conducted. Then right further down the line, it's not beyond the bounds of possibility that Kinmen and Matsu, the two islands close to the Chinese mainland and currently part of Taiwan, that they would "spontaneously demand reunification" with the motherland. They are vulnerable to a much smaller blockade and indeed the withdrawal of resources and services. So that could be there. Even further down the line, what about seizing the Pratas Islands, Tungsha, which is halfway between Hong Kong and Taiwan? It has a very small Taiwanese airfield garrison on it.Would doing that be sufficient to bring the United States militarily into a conflict? Interesting question.

So there's a lot that could be done vis-à-vis Taiwan. There's a lot more that I think will be coming in the next decade towards foreigners, increasing sanctions on foreigners who cross China's red lines. Also perhaps there will be more pressure on foreign companies to make a choice between operating in Taiwan and having operations in the mainland. I think there's going to be much harsher reactions to military overflights and sailings through the Taiwan Straits, particularly, I suspect, in non-American countries. We've already seen some very dangerous maneuvers in front of Canadian, Australian aircraft and helicopters. Let's hope there isn't an accident, but I think we're going to see a lot more of that sort of military action. I think we'll see a lot more threats to countries in the way that Lithuania was. China has clearly read Thucydides, not because of the Thucydides claptrap, but because of the Melian dialogue, where the basis of that is: the powerful countries do as they will, and the small countries just have to put up with it. So watch out, small countries will be the message from Beijing.

What does that mean for foreign countries and what should we be doing? First of all, we shouldn't exacerbate the situation. That means close consultation with Taiwan and not pushing Taiwan into situations which are disadvantageous because we in our countries don't fully appreciate the dynamics, etc. The obvious example is it doesn't probably help to refer to Taiwan as an independent country, close to it in his inauguration speech. But certainly we should be very closely working with Taiwan so as not to upset the apple cart. But that said, I think we should certainly be pushing for inclusion of Taiwan in organisations, international organisations, which benefit global goods. It's probably too far to push for Taiwan's inclusion in political organizations, but things like global health, the global economy, and development-these are things where Taiwan should be included because it has a very relevant contribution to make. I think that our countries should quietly help Taiwan to build up its porcupine defenses, so that it can defend itself. All people have the right to defend themselves.

But I think probably most importantly of all, through quiet diplomacy, I think our countries should be making it eminently clear to the CCP that invasion or existential blockade will result in sanctions, it will result in economic suicide. It is, in a sense, mutually assured destruction. We've had that for years in the nuclear sphere, but I think we need to ensure for Taiwan that the Chinese fully understand that that is what will happen. That is the most effective form of deterrence.

Finally, we really need to explain to our own nations, to our own people why Taiwan matters. That links into the fact that there really is a new Cold War, that China really does see the world in that way and really is trying to knock America off its perch and change the way that the global governance acts in terms of benefiting China's interests and values as opposed to what is already in existence. This sounds a little bit over the top, but when even Chatham House and Robin Niblett, who's the director there, entitles his new book, 'The New Cold War', then I think we need to sit up. It's not just a matter of defending the right of 23 million people to choose their own system and to have their own values. It's not just a matter of human rights. Those things are very, very important. But it's also a matter of our own security. Look at that map. Look at the first island chain, the second island chain. Do we wish China to dominate the Western Pacific and ultimately the whole of the Pacific? It's also a matter of our economic prosperity. I've already talked about TSMC and semiconductors but Taiwan plays a really important role in the global economy. So I'll stop there. That's possibly a little bit short, which is a good thing, because it allows far more time for questions and possibly relevant answers.

Cindy Yu:
Thank you so much, Charlie. I very much enjoyed the Thucydides clap trap phrase as well. For those of you who are not British, I think Charlie is basically saying that the Thucydides trap is not so much to be respected as a theory. To find out more about that, you can read his latest on The Spectator as well.

Q&A session with audience members:

Cindy Yu: First of all, I'll just start with a couple of questions of my own. Ryo and Charlie, I think many people will have been reassured by your presentations in the sense that there is no immediate likelihood of invasion, that perhaps the Davidson timeline is not so firm as he made it out to be. But I wanted to ask you both, what about the chances of an accidental escalation or something straying beyond China's red line in a way that the West perhaps didn't intend? So, for example, thinking about the tensions in the South China Sea that have been going on this year, or both of you have both talked about ways to include Taiwan in more economic organisations, for example. Could that be perceived as an aggressive act by Beijing? Ryo, perhaps you'd like to start.

Ryo Sahashi: Yes, we cannot reject the possibility of accidental escalation. It could start from something very small, like when something happened in Jinmen recently, but they successfully managed the situation, I believe, between the cross-straits bodies. But I do think something could lead to escalation. Maybe it won't be limited to the situation in Taiwan or Jinmen. Maybe the US and China will have some miscalculation with each other, and that could lead up to a kind of bad management of the situation in Taiwan. So we cannot reject any possibility of accidental escalation. But I think at this moment, the atmosphere between Washington and Beijing is not so bad. So, I do believe there is a possibility for the successful management in the event of an accidental escalation. But as I say, I think China has more reason, rationally, to put their efforts towards making themselves a united front. So I think this is not a rational moment for them to change the situation.

Cindy Yu: Thank you, Ryo. And Charlie?

Charlie Parton: Yes, I agree. It's good that the American and Chinese militaries are talking a little bit more than they were before. Think back to 2001, the crisis was diffused relatively rapidly. Yes, China's a lot more powerful and a lot more confident than then. But I think, again, just imagine the economic consequences of this spiraling out of control. It doesn't take long before those consequences come home, at a time when China's economy is not doing as well as the CCP would like. Some people say, yes, but is Xi Jinping really in control of the military, for instance? I mean, could the military escalate this? Well, I believe that he is. Just look at what he's done to the military since the 2015 reforms. Even implementing what he's done there, I think, bespeaks quite tight control of the military. Look also at how he has replaced hundreds of the top generals, and he continues to do so. So that to me says he's pretty powerful when it comes to the military.

Cindy Yu: That was an incredible development last summer, actually, when he was doing that purge, Charlie, because there was reporting that he had found PLA armories emptied, and rocket launchers that didn't quite have the right kind of lid to be used and that kind of stuff. So I do wonder in the aftermath of the Russian invasion of Ukraine and what that's shown us about the Russian army, just how many holes there are in the PLA as well that we don't really know from the outside so much.

Charlie, just picking up on that last point that you mentioned about the economy as well. We've got a question from someone about the economy in China at the moment: will the CCP invade Taiwan given the slowing economy? So perhaps a chance to elaborate on that from both of us, if that's all right.

Charlie Parton: I wrote a paper on this back in November. It's called 'Plateau China'. I hate the phrase 'peak China' because peaks go up and down very quickly, whereas plateaus go up and then stay at that height for quite some time.They can then fall away very quickly as well, or they can dribble off into a plane. Either way, China is, whichever form of plateau it is, China I think is here as a powerful economic force for the foreseeable future. But I mean, the essence of that paper says, back in 2013, Xi Jinping himself said that the Chinese economic model was unbalanced, uncoordinated and unsustainable. That's why he introduced 60 chapters of reforms and 336 individual reforms, etc. So you have to ask the question, well, to what degree have they been implemented? It's not difficult to find some very influential Chinese think tanks and individuals like Luo Jiwei and Zhou Xiaotuan, and others in the economic and financial world, who say they haven't been implemented. At which point we have to conclude that what was originally described as unbalanced, uncoordinated, and unsustainable remains in that situation.

I think that is correct when it comes to the four big problems facing China's economy: debt, demographics, water, lack of water, and fourthly, an insufficiently educated population to sustain a high-tech developing economy over the long term. I don't think that the economic model is sufficient to deal with that, not least for political reasons. There I would put forward four political reasons, which Xi Jinping has deliberately, for political reasons, gotten rid of. One is an independent judiciary to put trust in the system. Another is an

independent press to monitor the system, corruption for instance. So civil society has been totally controlled and yet civil society is where so much pressure and ideas come from. It never comes from the government. Finally, some form of political accountability so that you know that if you don't deliver economically and in welfare, you're out. None of that's possible. Leninist governments have to control all economic levers. Ultimately, this is a matter of political reform as much as anything else. That is why I think it's right to talk about plateau China rather than this ever increasing graph that goes on up.

Cindy Yu: Ryo, would you like to add anything?

Ryo Sahashi: No, I totally agree about his analysis on the Chinese economy. So let me add another point relating to the Chinese economy. Some people, especially in Washington, have begun to argue that if China's economy is going to be weakened after peak China, that might increase the chance of war for the Beijing leaders. They say it's a danger zone. But many people, at least in Tokyo and in London too, don't support this thesis, because even after peak China and a downward trend, I think Chinese leaders may want to focus more on domestic issues and domestic stability. They have to tackle many agendas domestically in pushing up the Chinese economy. So they really don't have the time or resources to focus on external affairs. So, for this thesis, I would look back to the 1990s, because when China had many issues in domestic politics and also external policies, they tried to stabilise their relations with neighbours and tried to focus more on domestic politics. So I think that could still be the kind of rule we can apply to the prospect of Chinese leaders, even in the times of a weakened economy in China.

Cindy Yu: Yes, absolutely. You often hear from Western interlocutors as well that China might do this as a distraction, might invade Taiwan as a distraction from domestic problems of economy or legitimacy. But I agree with you, Ryo. It strikes me that it's a democratic certain type of psychology to think that perhaps in an election campaign you can distract with other issues. But for the Chinese system, it doesn't really work like that.

You both also mentioned getting Europe on board. I wondered how you think the best way to do that is, because we're a few years into the Russian invasion now, and I think there's a lot of war fatigue, certainly in terms of how much public opinion cares about the war, not necessarily in terms of the commitment of the countries. But it has also had a big impact in terms of living standards. For example, in the UK, much of the inflation that we've seen in the last few years has come from rising energy costs, rising fertilizer costs, the sanctions as well. So if it's a question of Taiwan, which is even further from Europe and less immediate, as you've mentioned, what is the way to get Europeans to care? So Charlie, perhaps you'd like to start.

Charlie Parton: One has to take one's hat off to the Chinese Communist Party for getting Europeans to care far more than they did. I mean, its treatment of Lithuania was a case in point. I think it's told Europeans quite a lot about the way China operates in the world. Another preliminary point is, we've got to be clear what we're talking about when we're talking about Europe. I'll be talking about the EU in particular, but are we talking about the European Commission or the member states, because the member states have competence when it

comes to foreign affairs, but the Commission has confidence when it comes to trade and decisions on that. So there is a dichotomy there. But I think we're probably talking more about the way individual states react. There, I think, with the exception of Hungary and Serbia, most East European and Central European states who've experienced life under communism are far more wary of China and therefore more supportive of Taiwan. Also in many ways they have less to lose.

It's the countries like France, Germany, Italy, UK, who fear Chinese retaliation for support for Taiwan. I have to say that is exaggerated, the sort of pressures that China can put on Europe. Just a simple question, but who exports more to whom? In a trade war who stands more to lose? Incidentally, a few years ago, I wrote a paper on this called 'Chinese Threats Policymaking Amidst Chinese Pressure'. It looks at six areas: exports to China, investment from China, City of London services, financial services, students, tourists, and cooperation on climate change. In all areas, the bark is far, far worse than its bite. One quick illustration of that is that any country that's been in the diplomatic doghouse with China has seen its exports rise during that time. In fact, with the UK, we were in the doghouse 2010 - 2012 because of Cameron and Nick Clegg meeting the Dalai Lama; our exports rose. During the golden era, it fell. Art exports fell. What does that tell you? Well, it tells you that politics aren't that important when it comes to exports. Now, there are symbolic areas where China will hit you, with brandy, et cetera, Australian wine, but Australia generally did not suffer.

Ryo Sahashi: To bring European countries to the table, two agendas might be very important. The first agenda might be evacuations of European people in the time of crisis or contingency along Taiwan. There are many Europeans that come to Taiwan as tourists, or for work, or to study. Also to China, and the rest of East Asia. If something happens along the Taiwan Strait, we have to evacuate all non-combatants not only from Taiwan, but also many people will want to evacuate even from mainland China. So we really need to coordinate our air power.
Of course, Japan and South Korea are also very close to Taiwan and China. But, we don't have much air power to evacuate people. So maybe we need to think more intelligently. How can we cope with the flow of people running away from Taiwan and mainland China in the time of contingency? But at this moment, I haven't heard any good ideas to coordinate such an effort in the time of crisis. So we have to take this very seriously.

The second thing, maybe we can talk among European people, Japanese people, Taiwanese people, or Asian people in general about Taiwan and China. Academically, the good thing is that Taiwanese think tanks and Taiwanese professors know these things very well. So we can learn from them too. The Chinese government is trying to employ the same strategy and tactics in the other bilateral relations. So, we can learn a lot from what the Chinese government does against Taiwan. The Taiwanese people studied them really well. So maybe we can have more discussions. We can learn a lot from Taiwanese professors, think tanks, and research institutions about this.

Cindy Yu: That links on to a question from the audience here about how Japanese domestic political opinion thinks about Taiwan. Is there much sympathy there?

Ryo Takahashi: The Japanese and Taiwanese love each other. According to public polls, many Japanese people really love Taiwanese people, and Taiwanese people really love Japanese people. But having said that, I'm not so sure about how many Japanese really want to get militarily involved in situations on the Taiwan Islands if something happened? I think the people may want our government to focus more first on the evacuation of Japanese people from Taiwan and China. Second, they really want to see our government protect the people in our southwestern islands, which may be affected if something happened in Taiwan. So the Japanese SDF and Japanese government have to protect the people and our national territory in southwestern islands. So we are very split and I don't know how the Japanese government would react to the SDF's direct meter involvement in the situation in Taiwan. Of course, the Japanese government may want to employ a kind of new interpretation of Article 9 in our constitution, and may want to say, 'we can have logistical cooperation to US military conduct in the area.' Some people may want to employ other legal schemes to enable the Japanese SDF to support and help American military or international military activity in the region. But I'm not so sure about how Japanese people would react.

There are also many expectations from Taiwanese people. How can we manage these expectations? If we take a look at the public poll in Taiwan, actually, many people don't think the US would come to save the Taiwanese. I think if my memory is correct, only 30% believe they would be saved by the US. But the majority of people say Japan would come to save us. But that might not be true. Firstly, we don't have that capacity. Secondly, as I said, I'm not so sure Japanese people would keep such a high resolve to defend Taiwan if something really happened. So the expectation from Taiwanese people tends to be more than we imagine in Japan. So this is a kind of expectation gap between the two, but a very interesting academic topic too.

Charlie Parton: I just wanted to make that point that if Taiwan was forcibly taken back by China, of course, the next target would be the Senkaku Islands. So Japan has a very strong interest, apart from many other very good interests.

Ryo Takahashi: As many of you may know, Senkaku Islands, our islands, are part of the Taiwan province. So we suspect that actually Senkaku might be the simultaneous target if something happened. It might be possible.

Cindy Yu: Charlie, there's a question here about China's popular zeal for national reunification. So, when it comes to growing nationalism within China, you might say that the CCP does not actively want to take this step just yet, that Xi Jinping thinks that it might be self-destructive. But what about people? We have seen that Chinese nationalists are capable of turning their eyes onto the government itself and forcing them into harder positions.

Charlie Parton: Yes, as you said, the nationalism is very strong and people do believe, because this is what they've been led to believe from the moment they go to school is that Taiwan is an integral part of China, and therefore unification or reunification, as they say, is absolutely essential. Of course, the Communist Party would say it's part of an unavoidable, inevitable historical process. But there's something that they definitely

encouraged and something which you're right, does occasionally turn around to bite them when the party does not pursue policies, not just on Taiwan, which are sufficiently nationalistic. We saw that, for instance, when there was rioting against Japanese interests back in 2005.

But that said, I don't think that the party is ever going to be in a position where it has to give way to any pressure group within China. It's strong enough to resist that. If things got really, really bad, well, you can throw some scraps of meat to the lion, for instance, by ensuring reunification with Jinmen and Matsu, that's a step, or by taking Dongsha. That would at least assuage them for some time. But I don't think the party actually needs, certainly not as we can see at the moment, to bow to the nationalists.

Cindy Yu: Now, we have a question here about Russians' involvement if China invades Taiwan. So, given that they're already in this kind of alliance and Russia is in active warfare in Ukraine. I guess I would add to that as well, that we see that in China's friendship with Russia, this desire to diversify its supply chains away from the naval routes that Charlie was mentioning that the Americans control so well. Is it just a matter of time that China and Russia's friendship would lead to a more hardline position on Taiwan from the Chinese side? So that's kind of two questions there, Ryo.

Ryo Sahashi: Yeah, that is very interesting. Of course, we have really big concerns on the kind of partnership among authoritarian states, including China, Russia, and North Korea. About the China-Russia relationship, I don't think Russia could provide sufficient support to China under the Ukrainian war and if a Taiwan contingency happened. Russia cannot be a big provider in anything other than energy. I think that is the weakness of this partnership. Of course, you know, Russia can be a very good partner in terms of moral support. But in the time of the Ukrainian war, Russia has big limitations in terms of providing material support to China except energy.

But actually, we also have to take a look at the other side too: at Japan, US, Taiwan, and the international community. How can they team up their efforts in the time of Taiwan contingency? We tend to see military collaboration, but I think we also have to take a look at the possibility of defense industry collaboration or cooperation, which we have already seen in the Ukrainian war. So I think Japanese, American, and other allied governments have already started the kind of candid discussion over the possible collaboration in terms of the defense industry and providing weaponry in the time of crisis. Maybe that kind of discussion might be accelerated in the future. So I think, you know, even though we are starting to see a more robust collaboration between China and Russia, I think an American alliance network will have some advantages in terms of providing substantial support.

Cindy Yu: Charlie, do you want to add anything to that?

Charlie Parton: Yeah, I don't think that Russia-Ukraine is that relevant to what's going to happen. I mean, it's a very different type of war for a start. I'm sure that China is learning a lot. But as I started off, I just don't think

that invasion or blockade is a realistic proposition anyway, so it doesn't matter what lessons you're learning in that sense. Again, in terms of defense cooperation between China and Russia, China's pretty much got all that it needs now from Russia in terms of the technologies. Maybe a little bit more on engines and one or two other things. Yes, it could probably learn a little bit more from Russia and joint ops and how to work more closely between the various forces. Russia's got a little bit more experience of actually fighting. But again, if invasion is not really on the cards, it doesn't matter so much.

The other thing, I mean, does China really want to be dependent on Russia for its energy needs? It's always been very careful to balance them. I don't think it trusts Russia sufficiently to do that. So again, it wants to keep oil and gas flowing from other parts of the Middle East, Namibia or wherever. Finally, this question, will one day the Arctic be so open that the Taiwan Straits become less important? Well, that's a long way ahead anyway. I have some doubts as to the volumes of traffic that could go through that. I mean, it's still going to be damn cold up there and there's going to be a lot of ice and that makes it far less reliable for a large chunk of the year. So in a timeframe that's realistic, Xi Jinping will, by 2049, be 96. I don't think the Arctic is possibly going to help him by then.

Cindy Yu: We've got a very short question here, which is really interesting. It's one that we don't often talk about in this context. Are there long-term hopes for Taiwan's official independence? Is that ever even on the cards with things as they currently are?

Charlie Parton: Well just look at William Lai's speech. He doesn't use the word independence, but he talks about the nation and sovereignty, etc. What's in a word? Well, quite a lot, I think, if you started mouthing the word independence, the Chinese Communist Party has said that would be sufficient. I think it knows it can't invade and doesn't want to invade. It really doesn't want anyone to use the word independence. But short of that, it has to tolerate what he's just said, to all intents and purposes. Taiwan is an independent country. It meets the four conditions of the 1933 Montevideo Convention in entirety. It's got a population, it's got a government, it's got the capacity of making foreign relations and it's got defined territory. It is an independent country. We just don't call it such. I don't think that's important.

Ryo Sahashi: From my perspective, what I can say is I don't think the new president will make any kind of independence declaration in the coming years. That is politically unnecessary. So what he said in his inauguration speech is very correct. He said, here is the Republic of China, and the Republic of China constitutions. The PLC has to look at this reality. So this is what he can say, and this is what he should say. So ideally, I don't think he will go beyond this point. He doesn't need that politically.

Cindy Yu: Thank you. There's some questions as well about the U.S. domestic dynamics at play here when it comes to Taiwan. So one question is about who are the lobby groups in the U.S. that are influential and having a role in the U. S.'s position on the Indo-Pacific? Another question about what elites think about China when it

comes to the U. S.? I don't know if either of you would want to take a stab at that because it's much more American domestic.

Charlie Parton: Thank you. Well, I don't spend my time studying American politics. I spend my time studying Chinese politics. So I suspect all I can say is very obvious that the military is important in the debate and business is always important in any debate. But I think what is clear about China policy generally in the United States is that it's pretty much bipartisan. I don't see a great deal of difference between the approaches of either party. Of course, then we have the Trump factor. As we know, he can throw grenades around fairly indiscriminately, sometimes with quite considerable accuracy. Sometimes not so accurate.

Ryo Sahashi: Actually, I specialise more on the American side. So I can speak about this. But as far as I know, first of all, the Taiwanese lobby in the U.S. Congress and also in the U.S. government are actually getting stronger recently, especially with the Democrats in the U.S. Congress. Actually they worked very well with Mrs. Nancy Pelosi and her office. But what I want to say is, you know, lobbying is not so crucial at this moment. In the last 10 years, we saw a big change in America's strategy towards China and Taiwan. But I think the most influential driving force was not lobbying people. People are more motivated by their own strategic vision. Military people, U.S government military people, government intelligence people, all have more influence to form a new strategy towards China and Taiwan. I don't think they are influenced much by lobbying. They have their own ideology. They have their own ideas on PRC. They consider Taiwan as a very important democracy in the world. They have also started to see Taiwan as something they have to defend.

Cindy Yu: Thank you so much. Well, Ryo and Charlie, I think I'm going to bring this session to a close. We've answered an amazing amount of questions here. So thank you so much for your time today. Thank you to all of you for listening and watching at home. Thank you to the Daiwa Anglo-Japanese Foundation for hosting this session.