

# **2021 Report on the Security Landscape of the Indo-Pacific Region**

**Editors-in-Chief**

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# Preface

The inauguration of U.S. President Joe Biden in 2021 has been considered the beginning of a shift in the international strategic environment. It was anticipated that the strategic confrontation between the U.S. and China that began with former U.S. President Donald Trump would de-escalate as Biden advocated a strategic competitive relationship with the Chinese Communist Party. However, over the past year, initial predictions of de-escalation of U.S.-China relations have been undermined by the Chinese Communist Party's continued military aggression, ethnic and religious oppression in Xinjiang, as well as its national security legislation constricting human rights in Hong Kong, which have alarmed countries in the Indo-Pacific region. As a result, Biden was forced to continue Trump's Indo-Pacific strategy to curb the Chinese Communist Party's attempts. In particular, the immediate fall of Afghanistan to Taliban control after the withdrawal of U.S. troops from the country has raised international concerns regarding whether the U.S. will uphold its strategic assurances and commitments to its allies.

Over the past year, the U.S. conducted intensive joint military exercises and training in the Indo-Pacific region with regional and allied countries. In addition to the existing Quad security structure, the U.S. established a trilateral alliance (AUKUS) with the United Kingdom and Australia to upgrade the strength of its Indo-Pacific maritime alliance. In addition, Japan, Canada, the Netherlands, Germany, France, and other countries have been regularly invited to hold joint naval exercises in the Indo-Pacific region, demonstrating the determination of the U.S. and its allied countries to deter the Chinese Communist Party with superior military power. As a consequence of this dynamic, other regions such as Northeast

Asia, Southeast Asia, South Asia, the Middle East, and Europe have been affected in terms of security.

Published this year, the 2021 Report on the Security Landscape of the Indo-Pacific Region distinguishes between the strategic context and the actions of major powers that affect the Indo-Pacific region, the responses and actions of major Indo-Pacific nations, and the security implications for the Indo-Pacific region. The 15-chapter assessment report is herewith presented to provide a reference for relevant policymaking stakeholders.

As the Chinese Communist Party entered its 100<sup>th</sup> year of establishment, the political and military dynamics of the CCP in 2021 reflected a Xi Jinping in haste to establish his position in history and perpetuate his power. The “2021 Report on the Development of the Chinese Communist Party’s Politics and Military” analyzes and assesses the internal and external challenges confronting the CCP from the primary perspectives of political, military, economic and social. In terms of the internal environment, the CCP released its 14<sup>th</sup> Five-Year Plan and 2035 Visionary Goals and promoted its dual-cycle policy, which not only emphasizes strategic technologies and enterprises with R&D potential but also aims to foster semiconductor industries to achieve technological autonomy. Furthermore, under the goal of maintaining stability and sustainable governance, the CCP, mindful of the coming 20<sup>th</sup> Party Congress, will intensify, not relax, its control over social, public opinion, media, and military forces.

In terms of external relations, the CCP is alienated from the international community because of its series of actions suppressing human rights and democracy and its use of a wolf warrior diplomacy to deflect international criticism. As the U.S.-China dynamic intensifies, the U.S.-Taiwan military cooperation relationship has dramatically escalated, bringing an increasing number of countries to support Taiwan and its participation in international bodies. There are divergent views on whether the CCP is overconfident and expanding externally as a result of its rising national power, or whether it is in a state of international isolation and unrest, seeking internal stability and preventing external forces from taking advantage of the situation and adopting strong control measures. This year’s

2021 Report on the Development of the Chinese Communist Party's Politics and Military provides a critical perspective on the CCP, with the hope of gaining a deeper understanding of the nature of the CCP regime.

In the wake of media reports of the launch of hypersonic missiles into space orbit in the South China Sea, the U.S.-China nuclear arms race has evolved into a competition for missiles capable of traveling faster than five times the speed of sound. While the Chinese Communist Party is actively strengthening its military intelligence, the development of new-generation military technology capabilities is not only of concern to advanced Western countries, it is also expected to impact the military balance in the Indo-Pacific region. The “2021 Report on the Defense Technology Trend Assessment—Assessment of the New Generation of Chinese Communist Party's Military Technology,” pulls together forward-looking insights regarding the Communist Party's conventional military forces, strategic forces, strategic support equipment, general-purpose technology, and policy support, and analyzes the Communist Party's current and potential future defense technology capabilities and policies.

The Institute for National Defense and Security Research's research efforts range from the study of national security, the Chinese Communist Party's political and military forces, and operational concepts at the national level to the study of national defense strategies and resources, cyber security, and decision-making at the strategic level, bolstered by cross-evidence of strategic theory and practice. In addition, many scholars and experts from different fields have been invited to give lectures, teach classes, and integrate research across fields to strengthen the depth and breadth of the Institute's research results and to build research capacity.

The 2021 assessment reports are a manifestation of the annual research results of INDSR's four research institutes. In view of many topics and volumes, there are inevitably errors and omissions, and we hope that all parties will be kind enough to offer their comments.

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# Introduction

Shiau-Shyang Liou\*

The inauguration of Joe Biden as President of the United States in early 2021 has undoubtedly emerged as the most significant variable in the Indo-Pacific regional security this year. The international community is concerned about whether Biden will continue Donald Trump’s Indo-Pacific Strategy and how the situation will change. With the promulgation of the Interim National Security Strategic Guidance in March 2021, the Biden administration’s Indo-Pacific Strategy has become increasingly explicit, not only inheriting the Trump roadmap but also elevating it to a battle between democracy and authoritarianism, emphasizing the need to rebuild U.S. democracy in order to rally allies against China. To be a leader of the international community, the Biden administration has also adjusted its global strategy, with multilateralism as its linchpin.

In terms of the Indo-Pacific security landscape, China, the target of the Indo-Pacific strategy, believes that the Biden administration will focus on domestic affairs and will not be available to compete with China, which will inevitably lead to a “rising east and falling west” dynamic in the world. Therefore, China has launched a series of provocative policies; however, the world situation has not been as straightforward as it expected, instead, the U.S. has succeeded in mobilizing its allies to counter China and has laid a foundation for the subsequent

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strategic competition in the South China Sea and even the escalation of the Taiwan Strait conflict. In the meantime, the pattern of Russia and China uniting against the United States has become more and more consolidated. Although Russia refuses to engage in a confrontation between China and the United States, its strategic layout in the Indo-Pacific depends on whether it can return to its former status as a superpower, and therefore Russia initiated a gray-zone tactic along the Russia-Ukraine border to demonstrate its ability to restrain the U.S. “Indo-Pacific strategy”. Moreover, while the United States is partnering with its allies to contain China, its European allies intensify their engagement with Indo-Pacific countries and increase their military presence in the region as relations between Europe and China deteriorate. As a result, the security landscape in the Indo-Pacific region, which was initially a confrontation between China and the United States, has become significantly complex with the Biden administration’s shift in strategy, with neighboring powers in the Indo-Pacific region also involved, thus creating the possibility of a domino effect between the Indo-Pacific and Europe.

As the Indo-Pacific region becomes increasingly interlinked with the external environment, the countries in the region respond to the developments in their national interests. For example, Japan and Australia, pillars of the U.S. Indo-Pacific strategy, have taken the opportunity to strengthen their security ties with the U.S. and consolidate their positions in the Indo-Pacific region as their relations with China intensify. Another critical pillar, India, has a long-standing border dispute with China that is still at risk of being reintensified due to internal political changes and nationalism. Moreover, North Korea’s nuclear program seems to resurface, while the military coup in Myanmar is a source of uncertainty for China and the United States in terms of their influence in the region. At the same time, the novel coronavirus outbreak (COVID-19), which has had a significant impact on human society, has not yet reached its end, adding the uncertainty to the Indo-Pacific situation, whereas the industrial supply chain crisis poses another challenge.

Taiwan is facing extreme pressure from China, but our democracy is gaining increasing recognition and support from the outside world. Moreover, with Taiwan’s indispensable role in the international industrial chain, it is expected that

we can play a role in strengthening the resilience of the supply chain in the Indo-Pacific region in the future. Therefore, in the multifaceted Indo-Pacific landscape, there are opportunities for Taiwan in the face of crisis.

In view of the complexity of the Indo-Pacific security landscape, the 2021 Indo-Pacific Regional Security Assessment Report is divided into three major sections: “Strategic Developments and Actions of Major Powers in the Indo-Pacific Region”, “Responses and Actions of Major Nations in the Indo-Pacific Region”, and “Significant Issues Affecting the Security of the Indo-Pacific Region”, which explore the strategic security environment in the Indo-Pacific region from the macro to the micro-level in the hope of mapping out the regional landscape to identify Taiwan’s strategic opportunities, thus contributing to our national security.



# **PART ONE**

## **Strategic Developments and Actions of Major Powers in the Indo-Pacific Region**



# Chapter 1

## The Biden Administration's Policies and Actions in the Indo-Pacific Region in 2021

Liang-Chih Chen\*

### I. Introduction

The U.S. activities in the Indo-Pacific region in 2021 are themselves influenced by a change in U.S. domestic factors—namely, the U.S. presidential election in November 2020. In the event that Donald Trump wins the election, the United States is expected to increase its checks and balances on Chinese expansion in the Indo-Pacific and across the globe; in the event that Joe Biden wins the election, the United States is expected to continue to strengthen its international confrontation with China, but the Biden administration's strategy for dealing with the Chinese challenge is likely to diverge from that of the Trump administration.<sup>1</sup> In other words, a complete reversal of the Trump administration's China policy should not happen. The development of U.S.-China relations in 2021 is a testament to a structural factor in the international system—the “great power competition” between established and rising powers, the United States and China. In contrast, domestic political variables in the U.S. have become a non-deterministic influence.

Nevertheless, comparing Biden's Indo-Pacific Strategy with Trump's Indo-Pacific Strategy is still informative: First, if the two Indo-Pacific Strategies share a high degree of similarity and continuity, it may prove that competition

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<sup>1</sup> Brahma Chellaney, “Biden Follows Trump's Footsteps in The Indo-Pacific,” *The Hill*, March 25, 2021, <https://thehill.com/opinion/national-security/544860-biden-follows-trumps-footsteps-in-the- indo-pacific>.

with China is a consensus between the U.S. Democratic and Republican parties and an inevitable result of the “great power competition” structural environment. Secondly, suppose there are differences between the two Indo-Pacific wars, particularly in terms of strategy rather than in terms of underlying nature or goals. In that case, the significance for Washington is whether the Biden administration’s strategy will be more effective in containing the Chinese threat. In the Biden administration’s initial national security strategy, it emphasizes that the distinction between foreign policy and domestic politics has been narrowed and that the reestablishment of an American democratic political system to counter threats to the United States and democracies from authoritarian dictatorships is critical to Washington’s international reputation and leadership, as well as to its ability and that of its democratic alliance to resist the Chinese and Russian revisionist powers.<sup>2</sup> In this regard, U.S. domestic affairs remain an indispensable variable in exploring its national security strategy and Indo-Pacific strategy.

In terms of the Indo-Pacific strategy, the Biden administration has fundamentally subsumed the Trump administration’s defensive approach while emphasizing the United States’ international leadership role and cooperation with its allied partners. In terms of strategy, the Biden administration’s approach differs noticeably from that of the Trump administration—on the one hand, it emphasizes the importance of rebuilding domestic governance, while on the other hand, it actively navigates diplomacy and strengthens ties with allies and partners to combat China in concert. In addition, on the geo-economic level, the Biden administration and Japan have proposed a U.S.-Japanese democratic version of the Indo-Pacific regional infrastructure plan to counter China’s “One Belt, One Road” initiative. Overall, the strategic competition between the U.S. and China in the Indo-Pacific region is expected to escalate in 2021, as the Biden administration continues to expand and consolidate its efforts to counteract China.

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<sup>2</sup> Joseph R. Biden, Jr., Interim National Security Strategic Guidance, *The White House*, March 3, 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>, pp. 6-9. Also see Joseph R. Biden, Jr., “Why America Must Lead Again: Rescuing U.S. Foreign Policy After Trump,” *Foreign Affairs*, March/April 2020, <https://www.foreignaffairs.com/articles/united-states/2020-01-23/why-america-must-lead-again>.

## II. The Biden Administration's Strategic Approach to the Indo-Pacific

The U.S. Indo-Pacific strategy epitomizes the current U.S. national security strategy and policies on foreign affairs, defense, economy, science and technology, and culture, as it does for the Trump and Biden administrations. As the rise of China poses significant threats to U.S. international leadership, global democracy, and the international order since the end of World War II, in geopolitical and economic terms, the United States must strengthen its efforts to counter China's expansion in the Indo-Pacific region, where Beijing's political, economic, military, and cultural power is directly exerted. Therefore, observing the U.S. Indo-Pacific strategy provides an overview of the overall U.S. national strategy and policy, reflecting a significant portion of the U.S. national strategy and policy in the Indo-Pacific strategy. Regarding Indo-Pacific strategy, the Biden administration has drawn the most attention to whether Biden will continue (or transform) Trump's Indo-Pacific strategy. A review of public opinion before and after the Democratic Party's victory<sup>3</sup> and the Biden administration's performance since taking office indicates that it has not shifted or abandoned the Trump administration's Indo-Pacific strategy but has instead continued to intensify its strategic competition with China. The Biden administration, however, has taken a different strategic approach.<sup>4</sup>

The Biden administration has not yet released its Indo-Pacific strategy report,<sup>5</sup>

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<sup>3</sup> During this period, public opinion generally believed that Biden would not give up or change Trump's Indo-Pacific strategy. See "Joe Biden 'Unlikely To Replace' Trump's Indo-Pacific Strategy Vs China," *NDTV*, October 29, 2020, <https://www.ndtv.com/world-news/joe-biden-may-continue-trumps-india-focused-strategy-to-help-offset-china-2317322>; Derek Grossman, "US Election Won't Dramatically Alter Indo-Pacific Strategy," *Nikkei Asia*, November 1, 2020, <https://asia.nikkei.com/Opinion/US-election-won-t-dramatically-alter-Indo-Pacific-strategy>; Eric Feinberg, "China Policy from Trump to Biden: More Continuity than Change," *Pacific Forum*, March 5, 2021, <https://pacforum.org/publication/pacnet-12-china-policy-from-trump-to-biden-more-continuity-than-change>.

<sup>4</sup> Yogesh Joshi and Archana Atmakuri, *Biden's Indo-Pacific Strategy: Expectations and Challenges* (Singapore and Tokyo: Institute of South Asian Studies and Sasakawa Peace Foundation, 2021), pp. 10-12.

<sup>5</sup> During the Trump Administration, the Pentagon released the *Indo-Pacific Strategy Report* on June 1, 2019, the State Council released the *Indo-Pacific Vision Report (A Free and Open Indo-Pacific)* on November 4 of the same year.

but public conversations between President Biden and critical officials on his national security staff<sup>6</sup> and the White House's Interim National Security Strategic Guidance released on March 3, 2021, reveal that the Biden administration's overall national security strategy and diplomacy are generally evident. From these remarks and documents, it is clear that Biden continues Trump's view of China as a significant strategic competitor. Nevertheless, Biden emphasized the importance of revitalizing U.S. international prestige and leadership while strengthening coordination and cooperation with allies and partners to form a solid anti-China alliance.

To begin with, the Biden administration has challenged the divide between "domestic" and "foreign" policy, seeking instead to integrate foreign policy with domestic policy. Some of the Democratic Party's political elite has recognized that the U.S. diplomatic retreat in recent years stems from domestic political concerns, including a fragmented society and polarization, political populism and extremism, bottlenecks in economic development as a result of globalization, racism, and social equity, weak government governance, mismanagement of COVID-19, and infrastructure incompetence. Such domestic problems have impacted the U.S. competitive advantage in the international context and affected its international image, reputation, and leadership status. In addition, the U.S. has decided to withdraw from international institutions and agreements (for example, the World Health Organization (WHO), the Paris Climate Agreement, and the United Nations Human Rights Council (UNHRC)). These actions have undoubtedly ceded many important international arenas to China. Therefore, rebuilding U.S. foreign policy and international influence requires rebuilding U.S. domestic politics.<sup>7</sup>

Secondly, another priority in rebuilding U.S. domestic politics is to strengthen

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<sup>6</sup> These officials include Secretary of State Blinken, Secretary of Defense Austin, and National Security Adviser Jake Sullivan.

<sup>7</sup> Jeff Seldin, "Biden's National Security Approach Sees Merge of Foreign, Domestic Policy," *Voice of America*, January 29, 2021, <https://www.voanews.com/usa/bidens-national-security-approach-sees-merger-foreign-domestic-policy>; Joseph J. Collins, "Biden's Task Is Building a Better National Security Policy," *The Hill*, February 1, 2021, <https://thehill.com/opinion/national-security/536177-bidens-task-is-building-a-better-national-security-policy>.

U.S. liberal democracy as it relates to the United States and other democracies. The Biden administration recognizes that the current challenges and threats posed by the PRC to the United States are not just in the material aspects of geopolitics and geo-economics but also in the political institutions of values and lifestyles relevant to humanity which Beijing is eager to challenge if not replace. To add to the seriousness of the situation, the rising authoritarian regime is challenging the very democracy that has been considered a model of universal values since the end of the Cold War; China is challenging not just the United States but all liberal democracies in the world. If the United States, as a democratic leader, is weakened, not only will it be unable to attend to its own domestic and foreign affairs, but Washington will also be unable to lead a robust democratic alliance against China.<sup>8</sup>

Furthermore, in contrast to the Trump administration's strategy, the Biden administration has emphasized that the United States cannot accomplish its strategic goals against the rising power of China on its own and that Washington must abandon its past unilateralist actions and neglect of relations with allied countries, and revive its collaborative efforts with allies and partners, as well as return to key international arenas and international establishment. The Biden administration seeks to restore the U.S. to its position of international leadership and reestablish its international prestige and credibility and its former international presence and influence through the enhancement of bilateral and multilateral relations.<sup>9</sup> In doing so, the Biden administration engages in a series of diplomatic maneuvers to gradually lead and build a democratic coalition against China and implement the U.S. national security strategy and its Indo-Pacific strategy.

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<sup>8</sup> Biden, *Interim National Security Strategic Guidance*, p. 7; Antony J. Blinken, "A Foreign Policy for the American People," *U.S. Department of State*, March 3, 2021, <https://www.state.gov/a-foreign-policy-for-the-american-people/>.

<sup>9</sup> Biden, *Interim National Security Strategic Guidance*, pp. 8, 10.

### III. The Biden Administration’s “Collaborative” Diplomatic Approach to the Indo-Pacific Region<sup>10</sup>

The most significant difference between the Biden administration and the Trump administration in their approach to the Indo-Pacific strategy is the promotion of cooperative relations with allies and partner countries. By doing so, Washington is restoring its leadership legitimacy among allies and partners while gradually establishing an international democratic alliance against the Chinese threat through a diplomatic shuttle. The U.S. diplomatic strategy is a simultaneous development of bilateral and multilateral approaches, both within and outside the Indo-Pacific region.

In terms of bilateral diplomatic relations, Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin made their first overseas trip to Asia since taking office, with Japan as the first stop, demonstrating the Biden administration’s importance on Asia, the allied nation of Japan.<sup>11</sup> On March 16-17, 2021, the U.S. and Japan held its Foreign Minister and Defense Secretary’s “U.S.-Japan Security Agreement Committee Meeting” (also known as the “2+2 Talks”). It issued a joint statement addressing the Chinese threat to the security of the Indo-Pacific, highlighting the importance of peace and stability in the Taiwan Strait, reaffirming that Article 5 of the U.S.-Japan Security Treaty applies to the Senkaku Islands (also known as the Diaoyu Islands), not allowing China’s Maritime Police Act to undermine Japan’s national interests, advocating a free and open Indo-Pacific and peaceful resolution of disputes, and countering Chinese threats and aggression when necessary. Later in mid-April, these shared propositions were reaffirmed

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<sup>10</sup> The concept of “collaborative diplomacy” is drawn from the historical experience of the Warring States Periods in ancient China. Since the “collaborative” is a multi-state alliance (six countries, located in the east, north and south) to strengthen one thing (Qin, located in the west), its geographical distribution and alliance competition are very similar to today’s Indo-Pacific strategic situation, that is, the United States is united Multi-country (located in the east) to fight against a strong China (located in the west).

<sup>11</sup> Jason Strother, “Top US Officials in Asia on First Overseas Visit,” *Voice of America*, March 16, 2021, <https://www.voanews.com/east-asia-pacific/top-us-officials-asia-first-overseas-visit-0>.

when Japanese Prime Minister Suga Yoshihide visited the United States.<sup>12</sup> Notably, the references to the “importance of peace and stability in the Taiwan Strait” were mentioned by both sides for the first time since 1969.

On March 17-18, the U.S. and South Korea also held a “2+2 meeting” between foreign and defense ministers, in which both sides stated that the U.S.-South Korea alliance serves as an imperative for peace, security, and prosperity on the Korean Peninsula and in the Indo-Pacific region. Nevertheless, there was a clear divergence in threat perceptions - Washington pointed to China and North Korea as the source of the security threat, while Seoul saw North Korea and the North Korean nuclear issue as critical.<sup>13</sup> During South Korean President Moon Jae-in's visit to the United States in late May, the U.S. and South Korea issued a joint statement stating that they were committed to maintaining an inclusive, accessible, and open Indo-Pacific region and emphasized the importance of maintaining peace and stability in the Taiwan Strait.<sup>14</sup>

The U.S. has been instrumental in bringing South Korea (U.S.-Korea) and Japan (U.S.-Japan) together on the Indo-Pacific security and Taiwan Strait issues. Although there are discrepancies between the U.S., Japan, and South Korea in their perceptions of the Chinese threat, the matter illustrates the U.S.'s strong influence on Japan and South Korea in the fight against China.

As evidenced by Washington's bilateral diplomatic efforts to urge allies and partners to respond to its Indo-Pacific strategy, Japan and South Korea, India, Australia, Vietnam, the Philippines, Singapore, and Taiwan have also been intensively engaged by the United States. For example, the U.S. Vice President Kamala Harris visited Singapore and Vietnam from August 22 to 26, intending to strengthen the U.S. partnership with Singapore and Vietnam towards the

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<sup>12</sup> “US-Japan Joint Leaders' Statement: ‘US-JAPAN GLOBAL PARTNERSHIP FOR A NEW ERA’,” *The White House*, April 16, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/16/us-japan-joint-leaders-statement-us-japan-global-partnership-for-a-new-era/>.

<sup>13</sup> “Joint Statement of the 2021 Republic of Korea–United States Foreign and Defense Ministerial Meeting (“2+2”),” *The White House*, April 18, 2021, <https://www.state.gov/joint-statement-of-the-2021-republic-of-korea-united-states-foreign-and-defense-ministerial-meeting-22/>.

<sup>14</sup> “U.S.-ROK Leaders' Joint Statement,” *The White House*, May 21, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/21/u-s-rok-leaders-joint-statement/>.

safeguarding of a free and open Indo-Pacific region.<sup>15</sup>

In terms of multilateral diplomatic relations, the U.S. also actively participates in the multilateral Quadrilateral Security Dialogue (QUAD), the Group of Seven (G7), and the North Atlantic Treaty Organization (NATO). On March 12, 2021, the leaders of the United States, Japan, Australia, and India held a Quadrilateral Security Dialogue (QUAD) video conference to discuss responses to crises such as global climate change and COVID-19 while advocating for a free and open Indo-Pacific and a focus on peace and stability in the Taiwan Strait. On August 12, the Quadripartite Security Dialogue reconvened with senior officials to discuss efforts to strengthen cooperation on Indo-Pacific strategies, disinformation, human rights, and democracy and promote UN functionality. Although the post-meeting joint statement made no mention of the China threat, it was apparent that China was targeted, and although there was no mention of Taiwan Strait stability, it was clear that the Taiwan Strait was included.<sup>16</sup>

In mid-June 2021, U.S. President Joe Biden attended the G7 summit and signed a new version of the Atlantic Charter with Prime Minister Boris Johnson to strengthen the U.S.-UK “special relationship” and bring together Western allies to confront China’s threats. For the first time, the G7 has shown that it values peace and stability in the Taiwan Strait and opposes China’s unilateral changes to the status quo in the South China Sea.<sup>17</sup> After the G7 summit, President Biden attended the NATO summit. After the meeting, NATO, for the first time, identified China as a security threat, arguing that its rapid nuclear expansion, military opacity, and military cooperation with Russia have posed a systemic challenge to the international order and NATO’s security. NATO agreed to intensify cooperation with the Indo-Pacific Democracy Partnership to address regional

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<sup>15</sup> “Remarks by Vice President Harris on the Indo-Pacific Region,” *The White House*, August 24, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/08/24/remarks-by-vice-president-harris-on-the-indo-pacific-region/>.

<sup>16</sup> Steve Holland, David Brunnstrom, Nandita Bose, and Michael Martina, “Quad Leaders Press for Free Indo-Pacific, with Wary Eye on China,” *Reuters*, September 25, 2021, <https://www.reuters.com/world/china/quad-leaders-meet-white-house-amid-shared-china-concerns-2021-09-24/>.

<sup>17</sup> “CARBIS BAY G7 SUMMIT COMMUNIQUÉ,” *The White House*, June 13, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/13/carbis-bay-g7-summit-communique/>.

security challenges.<sup>18</sup> On September 16, the United States, the United Kingdom, and Australia announced the establishment of the Australia-UK-U.S. Security Partnership (AUKUS) mechanism, which anticipates cooperation in artificial intelligence, the Internet, and long-range warfare capabilities, particularly as the United States and the United Kingdom are prepared to provide Australia with nuclear submarine technology to assist Australia in the establishment of a nuclear submarine force.<sup>19</sup>

In this development, the Biden administration's multilateral diplomacy reinforces the aforementioned bilateral cooperation to counter Chinese threats and extends its "cooperation" efforts beyond the geography of the Indo-Pacific to Europe and North America. Washington's vigorous efforts to revive and strengthen relations with allies and partners have undoubtedly put more significant diplomatic pressure on Beijing, reflecting the stark disparity between the U.S. and China regarding the foundation and potential of their international alliances.

#### **IV. The Biden Administration's Promotion of an Indo-Pacific Infrastructure Investment Program**

In addition to diplomatic efforts, the 2021 U.S. Indo-Pacific Strategy also proposes a U.S. version of the Indo-Pacific Infrastructure Investment Program based on geo-economic strategies, intending to facilitate regional economic development. The other is to counteract the political and economic influence projected by China's Belt and Road Initiative. Strategically, the U.S. infrastructure investment program in the Indo-Pacific region is both a "geo-economic" and a "geopolitical" consideration.

As the overall economic scale of the Indo-Pacific region continues to expand,

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<sup>18</sup> "Brussels Summit Communiqué," *North Atlantic Treaty Organization*, June 14, 2021, [https://www.nato.int/cps/en/natolive/news\\_185000.htm?selectedLocale=en](https://www.nato.int/cps/en/natolive/news_185000.htm?selectedLocale=en).

<sup>19</sup> "Joint Leaders Statement on AUKUS," *The White House*, September 15, 2021, <https://web.archive.org/web/20210916023441/https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>.

and regional economic integration develops, China's ambition to establish itself as the "world's factory and world market," complemented by the "Belt and Road" initiative, is gradually bringing the "inside" and "outside" of the Indo-Pacific region into the scope of its economic power and influence, which results in a severe challenge to the global political and economic power of the United States and other advanced Western industrial countries. In response to this change in the strategic environment, the U.S. and some of its economically advantaged allies (Japan) began to promote an alternative regional economic strategy of "democracies" or a "U.S.-Japan Indo-Pacific version" of the Belt and Road economic strategy, which is also a crucial part of the U.S. Indo-Pacific strategy.<sup>20</sup> It is worth noting that Washington is not only promoting conventional projects related to airports, ports, roads, power, and water resources. In response to technological developments and advances, the U.S. and Democracies' Indo-Pacific infrastructure plan focuses on building high-quality infrastructures, such as high-speed 5G Internet and clean, renewable energy. The U.S. and Western countries still have a competitive advantage.<sup>21</sup>

On April 16, 2021, U.S. President Joe Biden and visiting Japanese Prime Minister Yoshihide Suga announced that the United States and Japan would jointly invest and develop in high-tech competitiveness and innovation, the COVID-19 epidemic, world health, and green energy. In early April, it was announced that the U.S. and Japan would sign a "U.S.-Japan Indo-Pacific version of the Belt and Road" initiative to promote infrastructure cooperation in the Indo-Pacific region

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<sup>20</sup> Jeffery Wilson, "Infrastructure Choices and the Future of the Indo-Pacific," *Security Challenges*, Vol. 16, No. 3, Special Issue: The Indo-Pacific: From Concept to Contest (2020), pp. 64-65 and pp. 67-68; Ritika Passi, "Competing Infrastructure in the Indo-Pacific: Enter the B3W," *Italian Institute for International Political Studies (ISPI)*, August 6, 2021, <https://www.ispionline.it/en/publicazione/competing-infrastructure-indo-pacific-enter-b3w-31343>.

<sup>21</sup> In July 2018, the then U.S. Secretary of State Mike Pompeo proposed the U.S. Indo-Pacific strategic economic vision, announcing that the U.S. plans to invest \$113 billion in the Indo-Pacific region to support the digital economy, energy and infrastructure, and other construction projects, including "Digital Connectivity and Cybersecurity Partnership" and "Enhancing Development and Growth through Energy." See Herbert J. "Hawk" Carlisle, "Opening the Aperture: Advancing US Strategic Priorities in the Indo-Pacific Region," *Journal of Indo-Pacific Affairs*, Vol. 1, No. 1 (Fall 2018), pp. 3-13; "A Free and Open Indo-Pacific: Advancing a Shared Vision," *US Department of State*, November 4, 2019, <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>, pp. 13-28.

in order to secure the trust of regional countries and gain an advantage in strategic competition with China in the Indo-Pacific. The guiding principles are designed to create an alternative model of development assistance based on transparency and legitimacy, as opposed to the “debt trap” created by China’s Belt and Road initiative, by detailing the prerequisites for evaluating investments, setting out the parameters for implementing projects, focusing on the development of local human resources, and standardizing and preventing the breach of secrets.<sup>22</sup>

Washington has sought bilateral cooperation not only with Japan but also on multiple fronts. Kurt Campbell, the White House Coordinator for Indo-Pacific Affairs, has stated that the U.S. is also seeking to engage members of the Quadrilateral Security Dialogue to expand each other’s implementation of infrastructure projects in the Indo-Pacific region.<sup>23</sup> At the G7 Summit, the U.S. also successfully engaged the G7 in proposing a Build Back Better World (B3W) partnership to assist underdeveloped countries in building infrastructure so as to counter China’s “Belt and Road” initiative.<sup>24</sup>

Notably, in early June, the U.S. Senate passed the U.S. Innovation and Competition Act (USICA), which is expected to commit \$250 billion over the next five years to expand U.S. investment in high-tech industries. As Washington is actively seeking cooperation with its allies to counter China’s global influence, the passage of the Act and future investments in high-technology fields such as communications, health, and green energy will echo the development of rebuilding and strengthening U.S. domestic strength on the one hand, and the development of U.S. economic integration with Western countries and the Indo-Pacific region in line with the infrastructure investment plan of the Indo-Pacific strategy on the

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<sup>22</sup> Rieko Miki, “US and Japan plan ‘Belt and Road’ alternative for Indo-Pacific,” *Nikkei Asia*, April 6, 2021, <https://asia.nikkei.com/Politics/International-relations/Indo-Pacific/US-and-Japan-plan-Belt-and-Road-alternative-for-Indo-Pacific>.

<sup>23</sup> David Brunnstrom and Michael Martina, “U.S. Says Looking at Quad Meeting in Fall Focused on Infrastructure,” *Reuters*, May 26, 2021, <https://www.reuters.com/world/us-says-looking-quad-meeting-fall-focused-in-frastructure-2021-05-26/>.

<sup>24</sup> “FACT SHEET: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership,” *The White House*, June 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>.

other, and counteract China's "One Belt, One Road" initiative.<sup>25</sup> This is a concrete implementation of the Biden administration's Indo-Pacific strategy.

## V. Conclusion

In addition to the diplomatic and geo-economic actions described above, the Biden Administration's Indo-Pacific strategy for 2021 incorporates military actions, including domestic legislation and policy initiatives. This includes domestic legislation and policy initiatives such as the National Defense Authorization Act for Fiscal Year 2021 (NDAA) and the Pacific Deterrence Initiative (PDI), as well as the demonstration of U.S. military forces in the Indo-Pacific region, such as the continuation of its Freedom of Navigation Operations (FONOPs) in the South China Sea and Taiwan Strait, in keeping with its "Free and Open Indo-Pacific" mission and leading joint military exercises between two or more countries to counter China's expansion of force in the Indo-Pacific region. In addition, in response to the impact of COVID-19, the U.S. and Japan have launched countermeasures and responses to China in terms of international public opinion and vaccine diplomacy. The U.S., under the Biden administration, has indeed been highly aggressive and assertive in its Indo-Pacific strategy, attempting to return to international leadership.

The Biden administration's Indo-Pacific policy and actions in 2021 have negated previous doubts about whether the Democratic administration would continue the Republican administration's Indo-Pacific strategy; the Biden administration has not only continued to intensify its efforts to counter the Chinese threat but also its approach of integrating domestic and foreign affairs, its strategy of returning to the international establishment and rebuilding of its alliances, its use of diplomacy before military affairs and its emphasis on domestic research and development in science and technology and investment in Indo-Pacific infrastructure. The

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<sup>25</sup> Nina Palmer, "The Innovation and Competition Act Is Progressing Policy," *The Hill*, June 25, 2021, <https://thehill.com/opinion/technology/560198-the-innovation-and-competition-act-is-progressive-policy>.

Biden administration's strategic competition with China is evident in all aspects of its intentions. While the Biden administration continues to advocate seeking cooperation with Beijing in several areas (for example, global climate change), the rivalry and confrontation between the U.S. and China in various areas and regions continue to intensify.



# Chapter 2

## The Impact of U.S. Global Strategic Restructuring on China

Hung-Chun Chen\*

### I. Introduction

On January 20, 2021, Joseph Biden was sworn in as the 46<sup>th</sup> President of the United States. Biden advocates a return to international leadership and maintaining a rules-based international order. Biden also supports democracy and human rights, promoting democracy and human rights as part of U.S. foreign policy and hosting the first Democracy Summit. In addition, he emphasized the importance of partners and allies, and actively improved relations with those. On military affairs, Biden launched the Global Posture Review. As a result, the White House announced the withdrawal of troops from Afghanistan and its intention to end the military mission in Iraq by the end of 2021. At the same time, Washington has increased its focus on the Indo-Pacific region and expanded its military presence in the region. Biden called for strengthening supply chain security and promoting U.S. competitiveness on the economic front. Biden has also proposed the Build Back Better World (B3W Partnership) initiative to help improve the infrastructure of developing countries.

In this regard, Biden's policy toward China has received much attention. Biden identified China as one source of threat to the United States and the only country that can combine economic, diplomatic, military, and technological power to challenge the open and stable international system that the United States has established. Therefore, Washington has adopted a approach, expanding relations

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with its allied partners to maintain a rules-based international order and a free and open Indo-Pacific region, as well as expressing concern over China's actions in the fields of nuclear weapons, conventional forces, human rights, Xinjiang, Tibet, Hong Kong, Taiwan, the East China Sea, the South China Sea, economic and trade, and the Internet. On the other hand, Washington still hopes to cooperate with China on issues such as Afghanistan, North Korea, Iran, and climate change, maintaining a channel of communication with China to avoid strategic misunderstandings and ensure potential and opportunities for cooperation.

Biden's global strategic restructuring not only strengthens the competitive relationship with China, but also shapes the development of the global and Indo-Pacific regions and allows U.S. partners in Europe to intensify their presence in the Indo-Pacific region. As a result, the U.S.-China rivalry in the global and Indo-Pacific regions has become more pronounced. This article first introduces Biden's global strategic adjustments, then analyzes the Biden administration's China policy, then interprets the impact of the U.S. global strategic adjustments on China and the Indo-Pacific region, and finally concludes.

## II. Biden Administration's Global Strategic Restructuring

The preliminary orientations of Biden's global strategic adjustments can be seen from his inauguration speech. In his inauguration speech, Biden not only called for democracy and unity, but also stated that the overall strength of the United States remains strong and has withstood many tests, showing strong resilience and solid strength. Internationally, Washington seeks to restore its relationship with its allies and partners and engage with the world as an example of leading the international community and becoming a strong and trusted partner.<sup>1</sup> Because of this, Washington has made adjustments in its global strategy.

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<sup>1</sup> Joseph Biden, "Inaugural Address by President Joseph R. Biden, Jr.," *The White House*, January 20, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/01/20/inaugural-address-by-president-joseph-r-biden-jr/>.

## **1. Diplomacy: Returning to the International System, Democratic Alliances, and Mending Allies and Partnerships**

At the diplomatic level, Biden first announced that the United States would return to the Paris Climate Agreement and rejoin the World Health Organization (WHO) and the United Nations Human Rights Council (UNHRC). By doing so, he demonstrated that the United States was prepared to return to the international system and continue to play its leadership role in upholding a rules-based international order.<sup>2</sup> Second, Washington also promoted the importance of democracy and human rights and held its first democracy summit in December utilizing a video message, thereby strengthening relations among democratic countries and highlighting the benefits of a democratic system.<sup>3</sup> At the same time, Washington also highlighted the differences between democracy and authoritarian/totalitarian systems, warning against the malign influences of its strategic competitors.

Third, Biden also actively mended the relationship between the United States and its allies and partners. For example, since taking office, Biden has engaged in intensive teleconferences and video conferences with leaders of allies and partners, such as the Quadrilateral Security Dialogue Leaders' Video and Physical Summit (U.S., Japan, India, and Australia), the Bucharest Nine (consisting of Poland, Romania, the Czech Republic, Hungary, Bulgaria, Estonia, Latvia, Slovakia, and Lithuania). The U.S. has also improved relations with countries through visits and hosting visitors, including Japan, Korea, Australia, India, the United Kingdom, France, Germany, Canada, the Group of Seven (G7), the North Atlantic Treaty Organization (NATO), the European Union (EU), Afghanistan, and Israel. In September, the U.S., Japan, India, and Australia held their first physical leaders' summit, emphasizing that a free and open Indo-Pacific region constitutes

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<sup>2</sup> Joseph Biden, "Remarks by President Biden on America's Place in the World," *The White House*, February 4, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/04/remarks-by-president-biden-on-americas-place-in-the-world/>.

<sup>3</sup> Joseph Biden, "President Biden to Convene Leaders' Summit for Democracy," *The White House*, August 11, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/11/president-biden-to-convene-leaders-summit-for-democracy/>.

a shared vision of the four parties and strengthening cooperation in areas such as the COVID-19 pandemic, climate change, critical and emerging technologies, critical infrastructure, cyber, space, education, people-to-people exchanges, and counterterrorism as well as rule-based maritime order, the denuclearization of the Korean Peninsula, and the restoration of democracy in Myanmar.<sup>4</sup>

## **2. Military: “Global Posture Review,” Middle East Withdrawal, Focus on Indo-Pacific Region and Taiwan**

Biden first conducted the Global Posture Review in terms of military affairs, then announced the withdrawal of troops from Afghanistan in April and the cessation of military missions in Iraq in July. The withdrawal from Afghanistan was finalized on August 30, while military missions in Iraq were scheduled to end at the end of December.<sup>5</sup> At the same time, Washington has clearly placed a high priority on the Indo-Pacific region, vowing to maintain a free and open Indo-Pacific region. The Biden administration has increased its military presence to the Indo-Pacific region, maintained freedom of navigation missions in the South China Sea, and crossed the Taiwan Strait more openly and frequently. In addition, Washington has continued its cooperation with allies and partners in the Indo-Pacific region, such as Japan, Korea, India, Australia, Taiwan, the Philippines, Singapore, and Vietnam. The Biden administration also lobbied the Europe countries to join the military missions to protect a free and open Indo-Pacific region, such as the United Kingdom, France, and Germany. In September, Biden announced the establishment of the Australia-UK-U.S. Security Partnership (AUKUS) with Australia and the United Kingdom and facilitated Australia’s access to nuclear-powered submarines

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<sup>4</sup> “Joint Statement from Quad Leaders,” *The White House*, September 24, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/joint-statement-from-quad-leaders/>.

<sup>5</sup> Joseph Biden, “Remarks by President Biden on the Way Forward in Afghanistan,” *The White House*, April 14, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/04/14/remarks-by-president-biden-on-the-way-forward-in-afghanistan/>; Joseph Biden, “Remarks by President Biden and Prime Minister Mustafa Al-Kadhimi of The Republic of Iraq Before Bilateral Meeting,” *The White House*, July 26, 2021, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/07/26/remarks-by-president-biden-and-prime-minister-mustafa-al-kadhimi-of-the-republic-of-iraq-before-bilateral-meeting/>; “Statement by Secretary of Defense Lloyd Austin III On the End of the American War in Afghanistan,” *U.S. Department of Defense*, August 30, 2021, <https://www.defense.gov/News/Releases/Release/Article/2759181/statement>.

and to jointly safeguard the security of the Indo-Pacific region.<sup>6</sup>

### **3. Economic: Strengthening Supply Chain Security and “Build Back Better World”**

In terms of economics, Biden’s primary strategy involves enhancing U.S. competitiveness. In addition to promoting the rebuilding of infrastructure at home, Biden also proposes measures to strengthen U.S. supply chain security, including four major categories of products as the first wave of targets for strengthening supply chain security: first, semiconductor manufacturing and advanced packaging; second, high-energy batteries for use in electric vehicles and other products; third, rare earth and other vital minerals and strategic materials; and fourth, pharmaceutical products and equipment.<sup>7</sup>

Internationally, Biden has sought to improve relations with his allies and partners by putting aside economic disputes among them. Further, at the G7 summit, Biden proposed the “Build Back Better World” initiative, calling on like-minded countries to participate and help improve the infrastructure of developing countries. In addition, at the first physical leaders’ summit between the U.S., Japan, India, and Australia, the leaders also announced the “Quadrilateral Infrastructure Partnership.”

With the Biden administration in place, Washington has made adjustments to its diplomatic, military, and economic strategies in order to restore U.S. leadership, intending to strengthen the existing international system and U.S. status while increasing its focus on the Indo-Pacific region and maintaining a rules-based international order and a free and open Indo-Pacific region.

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<sup>6</sup> “Joint Leaders Statement on AUKUS,” *The White House*, September 15, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/>.

<sup>7</sup> Joseph Biden, “Executive Order on America’s Supply Chains,” *The White House*, February 24, 2021, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/24/executive-order-on-americas-supply-chains/>.

### III. Biden Administration Policy Toward China

As one of the critical documents of Washington's China policy, the White House released the Interim National Security Strategic Guidance (INSSG) in March 2021. The report indicates that China represents one of the threats to the United States in the global security landscape. Chinese threats include: first, an authoritarian regime; second, China's increasingly aggressive, authoritarian behavior and use of intimidation, including unfair and unlawful trade practices, cyber theft, and the threat of force; and third, being the only country that can combine economic, diplomatic, military, and technological to challenge the stable and open international system established by the United States. In this new security environments, Washington's overall security strategy consists of three major components: first, to enhance its own strengths, including its people, economy, and democracy; second, to shape a favorable balance of power to deter and prevent threats from enemies to the United States and its allies; and third, to lead and ensure an open and stable international system created by a coalition of democratic nations. Concerning China, Washington expressed concern about Taiwan, Hong Kong, Xinjiang, and Tibet, reiterating the importance of democracy and human rights. Further, Washington stressed the need to reprioritize the Pentagon's defense budget to invest in advanced technologies and capabilities to address the threat of China's ascendancy. Washington recognizes the need to strengthen the security of the supply chain for critical defense technologies and medicines. In addition, Washington has determined that strengthening the U.S. allies and partners system is key to addressing the Chinese challenge, including diplomatic, military, and economic spheres while avoiding maligning Chinese influences.<sup>8</sup>

On the diplomatic front, to some extent, the absence of former President Donald Trump has enabled China to monopolize rule-making power easily. However, as noted above, by rejoining the Paris Climate Accord, Washington has demonstrated that the United States is defending its position as an international leader by not

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<sup>8</sup> Joseph Biden, "Interim National Security Strategic Guidance," *The White House*, March 3, 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>.

allowing China to assume sole rule-making power and ensuring that the existing international order is not easily changed. By strengthening ties with democratic countries and hosting democracy summits, Washington has also highlighted its differences with China's authoritarian system and the advantages of a democratic system. Biden has also worked with U.S. allies and partners to raise economic, military, and diplomatic concerns about China in a variety of international contexts, including nuclear and conventional military, space, Xinjiang, Hong Kong, Taiwan, Tibet, the South China Sea, the East China Sea, the Internet, economic and trade, and the investigation of the origins of COVID-19.

In terms of military affairs, in response to China's military threats, under Biden's guidance, the new Secretary of Defense, Lloyd Austin, established the China Task Force to address the Pentagon's response to threats posed by the rise of China's military and to develop relevant countermeasures. The China Task Force's recommendations can be categorized as follows: 1. policy coordination mechanisms within the U.S. government; 2. adjustments to the Pentagon's internal operational mechanisms; 3. strengthening cooperation with allies and partners; 4. enhancing deterrence capabilities; 5. accelerating the development of new operational concepts and emerging capabilities; and 6. future troop deployments and modernized military and civilian human resources. Austin adopted the recommendations and incorporated them into the forthcoming National Defense Strategy.<sup>9</sup> In addition, the new Deputy Secretary of Defense Kathleen Hicks, Assistant Secretary of Defense for the Indo-Pacific Ely Ratner, and Commander of Indo-Pacific Command John Aquilino are also highly concerned about Chinese threats and challenges.

Economically, Biden called on China to implement the first phase of their trade agreement. On the other hand, Washington shelved its trade dispute with the European Union and called for a joint response to China's inequitable trade practices. Washington also continues to impose economic sanctions on China for

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<sup>9</sup> "Secretary of Defense Directive on China Task Force Recommendations," *U.S. Department of Defense*, June 9, 2021, <https://www.defense.gov/Newsroom/Releases/Release/Article/2651534/secretary-of-defense-directive-on-china-task-force-recommendations/>.

national security reasons. In addition, Washington imposed economic sanctions on China for protecting the human rights of the Uighurs in Xinjiang. Washington has also tightened export controls to prevent the flow of emerging or critical technologies to China. In particular, Biden's "Build Back Better World" initiative is designed to counterbalance China's "One Belt, One Road" initiative.

Despite Washington's expanded competitive approach to China, the Interim National Security Strategic Guidance indicates that the United States will not dismiss the possibility of cooperation with China.<sup>10</sup> Washington looks to Beijing for cooperation on climate change, Afghanistan, North Korea, and Iran. Therefore, the two sides have maintained communication and dialogue sessions, such as Biden's telephone conversation with Xi Jinping in February, the U.S.-China meeting in Alaska in March, Blinken's telephone conversation with Yang Jiechi in June, Deputy Secretary of State Wendy Sherman's visit to China in July, and a second call between Biden and Xi Jinping in September. However, these exchanges and dialogues have not been held regularly but rather to maintain consultation and cooperation and to reduce the possibility of misunderstandings.

Put differently, the Biden administration's position on China is similar to that of the previous Trump administration in that it views China as a strategic competitor, as evidenced by the Interim National Security Strategic Guidance. Former U.S. President George W. Bush Jr. had positioned China as a strategic competitor during his presidential campaign, but gradually changed his stance on China to a "candid, constructive and cooperative" relationship as a result of the EP-3 military aircraft collision and the September 11 incident. The change in the U.S.-China relationship can be seen in the adjustment of the U.S. position toward China. The Biden administration has differentiated its attitude toward China into the competition, cooperation, and confrontation, operating in parallel. Washington retains a competitive attitude and actions with China in the diplomatic, military, and economic aspects, emphasizing its position. The Biden administration does not seek confrontation with China but has clarified that it will compete intensively with

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<sup>10</sup> Joseph Biden, "Interim National Security Strategic Guidance," *The White House*, March 3, 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>.

China and cooperate when necessary. The U.S. and China continue to engage in dialogue to maintain opportunities for communication and cooperation. However, Washington's adjustment of the dialogue format and lowering of its emphasis may reflect the two sides to engage in intense competition.

#### **IV. The impact on China and the Indo-Pacific region**

The Biden administration's global strategic adjustments would impact China and the Indo-Pacific region. In terms of the impact on China, one is to strengthen the military competition between the United States and China. Biden's announcement of the withdrawal of troops from Afghanistan and the cessation of military missions in Iraq are significant decisions that symbolize the end of the two wars the U.S. has been waging since 2001, primarily against terrorism. When Washington decided to end the war on terror, its global strategy was bound to be adjusted. Biden also remarked that the withdrawal of U.S. troops from Afghanistan would help compete with China and Russia. However, after the withdrawal of U.S. and allied forces, the Taliban rapidly gained power in Afghanistan, whose subsequent impact is still worth monitoring.

Secondly, the expansion of the military-diplomatic rivalry between U.S. allies and partners in the Indo-Pacific region and China. As the Biden administration views China as a strategic competitor, Washington advocates combining the strengths of its allies and partners to address China's diplomatic, economic, military, and technological challenges through a multilateral approach. On the diplomatic and military fronts, Washington calls for maintaining a rules-based international order and a free and open Indo-Pacific region and calls for like-minded nations to join together to defend peace, stability, and prosperity in the Indo-Pacific region. The U.S. has successfully gained the endorsement of relevant countries in the region to strengthen cooperation with Washington, including the escalation of the Quadrilateral Security Dialogue to the Quad Leaders Summit, the reinstatement of the Visiting Forces Agreement (VFA) with the U.S. by

Philippine President Rodrigo Duterte. The U.S. has also signed a Memorandum of Understanding with Taiwan on establishing the Taiwan-U.S. Maritime Patrol Working Group. The U.S. also sold 40 M109A6 self-propelled guns to Taiwan and established the Australia-UK-U.S. (AUKUS) Security Partnership. The U.S. has also joined forces with key allies and partners in the Indo-Pacific region, including Japan, South Korea, Australia, India, the Philippines, Vietnam, and Taiwan, to respond to various Chinese threats and military actions in the East China Sea, South China Sea, Taiwan Strait, and the Western Pacific, including conducting related military exercises such as Talisman Sabre and Large Scale Exercise (LSE).

Third, the military-diplomatic rivalry between the U.S. European allies and China has been intensified. Washington has promoted the idea of a free and open Indo-Pacific region to countries in the region and has also actively urged countries outside the Indo-Pacific region to focus on the development of the Indo-Pacific region, especially in Europe, and has received positive responses. As a result, the Group of Seven major industrial nations, NATO, and others have become concerned about the freedom and stability of the Indo-Pacific region and the threats and challenges posed by the rise of China. Further, the UK has sent the aircraft carrier HMS Queen Elizabeth for the first time, Germany has sent the warship Bayern to the Indo-Pacific region, and the UK has even joined the Australia-UK-U.S. Security Partnership and sent the warship HMS Richmond across the Taiwan Strait, demonstrating its support for the U.S. As the U.S. intensifies its efforts to deter China, the military rivalry in the Indo-Pacific region becomes more pronounced.

Fourth, the U.S. and its allies and partners will strengthen their economic competition with China. One of Washington's efforts to strengthen supply chain security is to compete with China in emerging economic and technological areas, including electric vehicles, rare earths, semiconductors, and pharmaceuticals. In this regard, Washington also advocates combining the strengths of its allies and partners, including Japan, Korea, and Taiwan, to enhance its competitiveness with China. In addition, at the summit of the leaders of the Group of Seven major industrial nations, NATO and the European Union, Biden called on the countries

concerned to expand their attention to the Indo-Pacific region, warned of the threats and challenges posed by the rise of China, and proposed the B3W to strengthen the competitive situation between the countries concerned and China.

Biden's global strategic adjustments also have implications for the Indo-Pacific region. First, the United States has increased its attention to the Indo-Pacific region. Washington's endorsement of the concept of a free and open Indo-Pacific makes the U.S. increasingly concerned about the development and changes in the region. Secondly, European countries are paying more attention to the Indo-Pacific region. In recognition of Washington and the free and open Indo-Pacific region, European countries are increasingly concerned about the present and future of the Indo-Pacific region, including Taiwan. Third, U.S.-China competition in the Indo-Pacific region is becoming more intense. As the U.S. and its allies and partners invest more resources in the Indo-Pacific region, the competition between the U.S. and China in the Indo-Pacific region is becoming more pronounced. Fourth, Taiwan's status and role are becoming increasingly important. As Washington places greater emphasis on a free and open Indo-Pacific region, it is also placing greater importance on Taiwan's role and position and deepening cooperation and relations between the United States and Taiwan.

In short, Biden's global strategic adjustments have implications for China in political, military, and economic terms, strengthening the competitive relationship between the United States and China and driving competitive dynamics between U.S. allies and partners and China. This expands the competition between the countries in the Indo-Pacific region and China and allows European countries to join the competition between the Indo-Pacific region and China. In other words, under the U.S. strategic reorientation, China will face pressure from the U.S. against China and have to face pressure from U.S. allies and partners against China. Moreover, the pressure from U.S. allies and partners is not limited to the Indo-Pacific region; even European countries are putting pressure on China. For the Indo-Pacific region, the region's importance has increased as the U.S. and European countries have increased their focus on the region. As a result, the competition between the U.S. and China in the Indo-Pacific region has become the

norm, and Taiwan's position has been elevated.

## **V. Conclusion**

Since Biden took office, the U.S. has adjusted its global strategy, covering diplomatic, military, and economic aspects, including rejoining the international system, advocating democratic alliances, repairing relations with allies and partners, conducting the Global Posture Review, withdrawing troops from the Middle East, focusing on the Indo-Pacific region and Taiwan, strengthening supply chain security, and proposing the B3W initiative, to maintain a rules-based international order and to support a free and open Indo-Pacific region. The Washington sees China as the only country that can compete with the U.S. in all aspects and strengthens its competitive stance with China, but is still reluctant to confront China. The impact of Washington's global strategic adjustments on China is to strengthen the U.S. military-competitive relationship with China, expand military-diplomatic competition between U.S. allies and partners in the Indo-Pacific and Europe and China, and strengthen economic competition between the U.S. and its allies and partners and China. The impact of Washington's global strategic adjustments on the Indo-Pacific region is that both the U.S. and Europe are expanding their attention to the Indo-Pacific region, making the entire Indo-Pacific region and Taiwan more essential and making U.S.-China competition in the Indo-Pacific region a feature of the region.

# Chapter 3

## China's Increasingly Narrow Roads

Pei-Shiue Hsieh\*

### I. Introduction

From November 2020, when the U.S. presidential election results are announced, to early March 2021 is arguably the very moment that the Chinese government became too complacent about gaining the upper hand in the competition with Washington since the U.S.-China trade war began in March 2018. First of all, Donald Trump, who has always been unpredictable and a headache for Beijing, is confirmed to leave office. It is expected that the successor, Joe Biden, will take a non-confrontational route, bringing to a close the Sino-U.S. trade confrontation that has thrown unstable variables into the Indo-Pacific region and the world situation. Second, due to the intensifying political confrontation at home and the out-of-control COVID-19 pandemic, Beijing judges that the new U.S. administration will prioritize domestic affairs and not have time to compete with China, making the next few years a “strategic opportunity period” for China.

Therefore, on November 4, 2020, the day after the U.S. election, Beijing publicly solicited legislative proposals for the Maritime Police Act, which was formally passed by the Chinese National People's Congress on January 22, 2021, providing the legal basis for the Chinese Maritime Police to use force against foreign vessels.<sup>1</sup> On November 15, 2020, fifteen member countries, including

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<sup>1</sup> “China’s New Maritime Law Hits the Road, Enforcement Powers Expand, and the Diaoyu Islands Smell of Gunpowder,” *BBC Chinese*, March 2, 2021, <https://www.bbc.com/zhongwen/trad/chinese-news-56249465>.

Japan, Australia, South Korea, New Zealand, and other U.S. allies, formally signed the Regional Comprehensive Economic Partnership (RCEP), opting to join the free trade agreement that includes China. In addition, after seven years of negotiations, the China-EU Comprehensive Agreement on Investment, which aims to improve market access for both sides, was finalized on December 30, 2020, and is scheduled to be voted on and ratified by the European Parliament in the coming year. In short, the post-election disputes in the United States and a series of diplomatic scores for China have led Xi Jinping to revisit the “unprecedented changes of the century” argument, emphasizing that China has “time and momentum” and urging Chinese officials to “recognize the general trend of the rise of the East and the fall of the West, the stark contrast between the rule of China and the chaos of the West... China can already look at the world with equanimity.”<sup>2</sup>

However, China’s situation in the Indo-Pacific region has taken a sharp turn for the worse since March 2021. The series of provocative policies made under the misjudgment that the East is rising and the West is falling has failed to bring a straight path as Beijing expected and allowed Washington to convince and unite with allies to fight against China.

## **II. The International Dynamics of Growing Hostility towards China**

The newly appointed Biden administration has unexpectedly adopted the route of “Trump’s rules and regulations” in its China policy, and it is even on the trend of becoming more and more aggressive. For example, Secretary of State Antony Blinken told a Senate Foreign Relations Committee confirmation hearing on his nomination that he agrees with the hard-line policy toward China adopted during the Trump administration. In a public speech in May, White House Coordinator for Indo-Pacific Affairs Kurt Campbell said that the nearly half-century-old era of

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<sup>2</sup> Andre, “Xi Jinping says China can look at the world at the same time, the United States is a worry,” *RFI*, 2021 March 9, <https://reurl.cc/XIDIQE>.

U.S. engagement with China was over and that the future of U.S. policy toward China would be dominated by “competition. On June 3, President Biden signed an executive order that increased the Trump-era denylist of Chinese companies banned from investing in PLA-related companies from 48 to 59.

A more prominent warning to Beijing is that the Biden administration has changed from its Trump-era model of fighting alone and is actively organizing an international anti-China coalition. In the past, Trump’s China policy, even when it worked to force Beijing to sign the first phase of the trade agreement, was only unilateral pressure on the grounds of U.S. national security interests. The Biden administration is now combining demands for national security, human rights violations, and confrontation between democracy and autocracy to make the U.S. anti-China policy more tenable. Doing so is actively drawing in allies, especially in Europe, to pressure Beijing jointly. China has suffered the biggest diplomatic defeat in Europe in recent years. On March 22, 2021, the European Union (EU), the United States, and Canada issued a statement condemning China’s actions in Xinjiang and imposing sanctions on the Chinese government. The EU’s resolution triggered Chinese counter-sanctions and ultimately led to the freezing of the China-Europe Comprehensive Investment Agreement (CIA), which had been in operation in Beijing for years, by the European Parliament. Lithuania announced in May that it was withdrawing from the 17+1 cooperation mechanism between China and Central and Eastern European countries and called on other member states to follow suit. Under the effect of Lithuania’s withdrawal, six heads of state, including the three Baltic states, chose not to attend this year’s 17+1 summit, despite Xi Jinping’s attendance. In July, Lithuania announced that it would establish an office in Taiwan under the “Taiwan Representative Office,” prompting Chinese sanctions in retaliation. Instead of achieving its goal of intimidating Lithuania, Beijing has strengthened Lithuania’s motivation to develop ties with Taiwan, joining Slovakia, the Czech Republic, Poland, and other Central and Eastern European countries in donating vaccines to help Taiwan through the critical period following the new wave of outbreaks. The European Union also issued a statement supporting the development of cooperative relations between Lithuania and Taiwan. The

European Parliament's Foreign Affairs Committee even overwhelmingly approved a draft report on EU-Taiwan Relations and Cooperation, proposing to rename the European Economic and Trade Office as the EU Office in Taiwan. In October, the draft report will be submitted to the European Parliament for a plenary vote.

China's strategic environment in the Indo-Pacific region has deteriorated this year at the diplomatic level and in the military sphere. Japan and Australia have repeatedly expressed concern for Taiwan's security and are actively working with the U.S. to discuss how Japan and Australia will provide U.S. military-related support in the event of a conflict. The U.S., Japan, India, Australia, and France conducted joint military exercises in the Bay of Bengal from April 3 to 5, 2021, the first official joint military exercise of the Quadrilateral Security Dialogue (QUAD) since Biden took office. In August, the U.S. Indo-Pacific Command organized the Large Scale Global Exercise 21 (LSGE21) with the United Kingdom, Australia, and Japan. India's Ministry of Defence also announced a two-month deployment of its fleet to the South China Sea, during which it will conduct exercises with its quadrilateral security dialogue partners. In addition to sending the HMS Queen Elizabeth strike group to participate in joint military exercises, the UK has announced that it will send two ships to the Indo-Pacific region by the end of 2021. Germany has permanently attached great importance to its economic and trade interests with China, has also dispatched the Bayern patrol ship to the South China Sea for the first time in nearly 20 years to carry out free navigation missions.

In the face of the U.S. drawing in allies to join the anti-China team, China's official Xinhua News Agency issued two 10,000-word articles in a row on August 4, a rare day, one of which was titled "Seven Sins of the U.S. Allied System," enumerating how the U.S.-led alliance system has brought turmoil and unrest to the world.<sup>3</sup> It was even rumored that the PLA was extremely unhappy with the Chinese Foreign Ministry, accusing the "wolf warrior diplomacy" of lighting fires

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<sup>3</sup> "The 'Seven Deadly Sins' of the U.S. Alliance System," *Xinhua Net*, August 4, 2021, [http://www.xinhuanet.com/2021-08/04/c\\_1127727194.htm](http://www.xinhuanet.com/2021-08/04/c_1127727194.htm).

everywhere and the PLA of having to bear the consequences.<sup>4</sup> In short, the Biden administration's strategy of "drawing allies together to fight China" is quite lethal, and puts Beijing's strategic goal of expansion in the Indo-Pacific region in front of a new wave of challenges since the start of the trade war.

### III. Wolf Warrior Diplomacy that Prefers Far-left to Right

In a speech at the Party School of the Central Committee of the Communist Party of China (CPC), Xi Jinping admitted that "the risks and challenges facing China have increased in the face of the world's unprecedented changes ...". However, with the political judgment that "the west is strong and the east is weak, and the east is rising, and the west is falling" and the belief that "time and momentum" are on China's side, Xi further asked his party cadres to "throw away their illusions, be brave and fight, and not give an inch on issues of principle."<sup>5</sup> Under the influence of this "prefer left to right" atmosphere, Chinese diplomats, who are supposed to play the role of a channel of communication between their country and foreign countries, have echoed Xi's call with their Boxer Rebellion style words and actions. For example, the Chinese ambassador to France, Lu Shano, insulted French academics, French legislators, and the media with "little rascal" and "mad dog" during the French senator's visit to Taiwan. Even Chinese officials, such as Yang Jiechi, former Chinese ambassador to the U.S. and now director of the Foreign Affairs Office of the Central Committee of the Communist Party of China (CPC), who used to be considered more rational and moderate in their dealings with the West, have had to adopt a wolf warrior style of toughness to counter the U.S. pressure on China.

In addition to its rhetorical offensive, Beijing has also returned the favor by

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<sup>4</sup> "It is Said that the CCP's Military 'Refuses to Fight' and Tells Xi Jinping: It does not Want to be Responsible for Making Enemies of the Wolf Warriors," *Radio France Internationale*, August 11, 2021, <https://reurl.cc/GbZbqy>.

<sup>5</sup> Qiu Guoqiang, "Xi Jinping: China's Challenges Are Increasing, But We Must Fight Courageously in Peaceful Days," *Central News Agency*, September 1, 2021, <https://www.cna.com.tw/news/acn/202109010345.aspx>.

announcing sanctions against 28 senior national security and foreign affairs officials in the Trump administration the day after Trump left office. Beijing even expanded the sanctions list when Biden's Deputy Secretary of State Wendy Sherman was about to visit China, a clear sign of its intention to compete with Washington. Moreover, when the European Union, the United States, and Britain sanctioned Chinese officials for human rights abuses in Xinjiang, the Chinese Foreign Ministry immediately imposed counter-sanctions on ten people and four organizations in Europe for "seriously undermining China's sovereignty and interests and maliciously spreading lies and false information.

On the military front, China continues to develop its Anti-access/ Area-denial (A2/ AD) capabilities to create a de facto presence in the first island chain as the primary U.S. force arrives from the mainland, forcing Washington into a dilemma of whether to continue to support its allies. Moreover, besides having the world's most significant ballistic missile force, the PLA has recently been spotted expanding intercontinental ballistic missile silos in Xinjiang, Gansu, and Inner Mongolia.<sup>6</sup> By the end of 2020, the U.S. Navy will have fewer than 300 ships of all types in combat, while the PLA will have more than 360 ships and accelerate its expansion.<sup>7</sup> In addition to the first catapult-capable Type 003 ship being finalized in the dockyard, it is expected to be launched in the first half of 2022, and the first amphibious assault ship, Type 075, is scheduled to enter service in April 2021.

In addition, Beijing continues to test and pressure U.S. allies in the first island chain through "gray area" tactics that fall below the threshold of war. For example, in March 2021, more than 200 Chinese maritime militia fishing vessels invaded the Philippines' Julian Felipe Reef. In March 2021, for example, more than 200 Chinese maritime militia vessels invaded the Julian Felipe Reef (known in China as Niuyu Reef) in the Philippines. When the Group of Seven (G7) issued its summit communiqué on June 13, 2021, mentioning the situation in Taiwan for the first

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<sup>6</sup> Gurley, "Australian Defence Minister Says China's Building of Over 100 Missile Siloes Brings Serious Uncertainties," *Radio France Internationale*, August 15, 2021, <https://reurl.cc/zWgWa6>.

<sup>7</sup> Ronald O'Rourke, "China Naval Modernization: Implications for U.S. Navy Capabilities- Background and Issues for Congress," *CRS Report*, <https://crsreports.congress.gov/product/details?prodcode=RL33153>.

time and “emphasizing the importance of peace and stability in the Taiwan Strait,” the People’s Liberation Army (PLA) flew 28 military sorties to disturb Taiwan on the 15<sup>th</sup>, and a single-day record of 56 military aircraft entered our southwest air defense identification zone on October 4.<sup>8</sup> Following the passage of the Maritime Police Law in January 2021, which gives the Chinese maritime police the legal source to use force, on September 1, China formally implemented the newly amended Maritime Traffic Safety Law, which requires foreign vessels to notify the Chinese authorities of their entry into Chinese territorial waters, and is seen as a response to the free navigation actions of Western allies in the South China Sea, led by the United States.<sup>9</sup>

In the face of Washington’s anti-China alliance with Europe in the Indo-Pacific region, Beijing is also actively drawing in relevant countries in an attempt to break through the U.S. diplomatic blockade. On March 22, 2021, two days after the United States, the United Kingdom, Canada, and the European Union sanctioned Chinese officials for human rights violations, Chinese Foreign Minister Wang Yi visited six Middle Eastern countries, including Iran, Turkey, Bahrain, the United Arab Emirates, Saudi Arabia, and Oman, in an attempt to mitigate the criticism of the Xinjiang issue through the support of these Islamic countries. During Wang’s visit, Bahraini Foreign Minister Abdullatif Zayani stated that he “firmly supports China in defending its sovereignty and opposes the politicization of human rights issues and that the U.N. Human Rights Council should not become a platform for interference in the internal affairs of other countries.”<sup>10</sup> The China-Iran Comprehensive Cooperation Plan, with a term of 25 years, provides Iran with \$400 billion in Chinese investments and China with a stable long-term source of oil, was signed during Wang Yi’s visit. In addition to Iran, China is also actively seeking to

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<sup>8</sup> You Kaixiang, “The Ministry of National Defense Announces the Second Announcement, a Total of 56 Co-Aircraft Interference Stations Hit a New High,” *Central News Agency*, October 4, 2021, <https://www.cna.com.tw/news/firstnews/202110040366.aspx>.

<sup>9</sup> Lu Jiahong, “US Warships Re-entering the Taiwan Strait, China Implements ‘Maritime Traffic Safety Law’ as a Countermeasure,” *BBC Chinese*, September 2, 2021, <https://www.bbc.com/zhongwen/trad/chinese-news-58408029>

<sup>10</sup> Miao Zonghan, “China is Forming a Global United Front in Response to European and American Alliances,” *Central News Agency*, March 27, 2021, <https://www.cna.com.tw/news/firstnews/202103270193.aspx>.

aggressively strengthen its relationship with Russia, with whom it has reached an agreement to extend the Treaty of Good Neighborly Relations and Cooperation. By developing closer ties with Iran and Russia, Beijing has an additional bargaining chip to leverage the Iran nuclear deal negotiations and the U.S.-Europe-Russia relationship against Washington.

#### **IV. For Beijing, U.S.-China Competition Can Only Be a “Zero-Sum Game”**

The Indo-Pacific regional situation surrounding the U.S.-China relationship could be eased by renewed cooperation between China and the U.S. when the Democratic Biden administration took office. After all, while the Biden administration has framed competition as the central axis of U.S.-China relations, it also hopes to seek cooperation with Beijing in areas such as climate change and global epidemic prevention and to set limits on the scope of their rivalry so that it does not escalate into a full-scale military conflict. The Biden administration is refocusing on U.S.-China relations could, if achieved gradually, lead to a “Positive-sum Games” model of “competition and cooperation. In other words, even if competition is intense in some areas, by coordinating the formal and informal principles, each side can gain certain “gains” and avoid a situation in which competition escalates into conflict because one side gains overwhelmingly or even the winner takes all. Moreover, cooperation in other areas can enhance dialogue between the two sides and have a spill-over effect, further reducing the risk of conflict escalation due to competition.

However, under Xi Jinping’s administration, China emphasizes a world view that “the U.S. is not qualified to preach to China from a position of strength,” and the judgment that the East is rising and the West is falling. That time and power are on our side imply the strategic goal that “he can take over. In a meeting with Deputy Secretary Sherman in Tianjin, Chinese Vice Foreign Minister Xie Feng expressed his strong dissatisfaction with the Biden administration’s “competition, cooperation and confrontation” policy toward China. Xie asserted that the triad

of competition, cooperation, and confrontation is merely a blindfold used by the United States to contain and contain China.<sup>11</sup> For Beijing, the U.S.-China relationship is essentially a “zero-sum game. As a declining hegemon, the U.S. will do everything it can to contain China’s rise as it seeks to seize a strategic opportunity to replace the U.S. in the east and the west. This is a “winner-takes-all” competition, and there is no ambiguous area in which the two can share power. Beginning with Trump’s trade war and technology containment, and now with the Biden administration’s extension of the resistance line, Beijing has given up the illusion that China can easily obtain funds and technology from the West for its arms development as it did in the past, while the elite of the West, led by Washington, is turning a blind eye to China and admitting that the relationship between China and the United States has deteriorated toward a “new Cold War.” From the “14<sup>th</sup> Five-Year Plan” in 2020, which proposes to establish a “new development pattern based on a major domestic cycle,” to the many policies this year that remind the outside world of the reemergence of the Cultural Revolution and the closing of the country, it is not surprising that they are understood in the context of “preparing for a new Cold War confrontation between China and the United States.”

Of course, the judgment that the East is rising and the West is falling, that the time and the moment are on our side, means that Xi Jinping is confident that he can win the battle against the United States. We can expect Beijing to continue to use its economic and trade interests as a means to divide and win over U.S. allies so that the Indo-Pacific and even European countries will be able to distance themselves from the U.S.-led anti-China alliance promptly. After all, most countries in the past have followed the principle of “relying on the U.S. for security and China for the economy” to a greater or lesser extent between the U.S. and China. In particular, the strong demand for economic recovery after the epidemic has increased Beijing’s leverage to play the economic card by making

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<sup>11</sup> Shen Pengda, “Xie Feng: The United States Uses Competition and Cooperation to Contain and Suppress China,” *Central News Agency*, July 26, 2021, <https://www.cna.com.tw/news/acn/202107260090.aspx>.

China's market access a condition. This is also why countries in the Indo-Pacific region, such as Singapore, South Korea, and New Zealand, have been reluctant to take a stand and do not want to choose a side between China and the United States. New Zealand, in particular, is a member of the Five Eyes coalition but has not joined the U.S. and European countries in issuing a joint condemnation statement on China's human rights issues. New Zealand's new foreign minister, Nanaia Mahuta, has said that she is "uncomfortable with the Five Eyes' expanded jurisdiction" and that New Zealand's relationship with China is one of the country's most important diplomatic relationships.<sup>12</sup> In fact, China has been New Zealand's largest trading partner since 2017. On January 26, 2021, China and New Zealand signed a protocol to upgrade the FTA between the two countries, and New Zealand even granted Chinese investment the same review threshold as that of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) members.

This consideration of China's economic interests also profoundly affects the U.S.'s European allies, notably the United Kingdom, France, and Germany, where China is not a direct geopolitical security threat but rather the world's largest export market. Since the "Xinjiang issue" in March 2021, when China and Europe imposed sanctions on each other, and the British, French, and German warships went to the Indo-Pacific region to participate in military exercises and free navigation, the bilateral relationship between China and Europe has reached a freezing point in recent years. However, German Chancellor Angela Merkel and French President Emmanuel Macron, in a video conference with Xi Jinping on July 5, both expressed the hope that the Sino-European investment agreement would be approved as soon as possible, and it was rumored that the two sides had already made preparations for technical issues such as the translation of documents.<sup>13</sup> The disorderly withdrawal of U.S. troops from Afghanistan has triggered a crisis of

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<sup>12</sup> Flynn, "New Zealand's foreign minister says uncomfortable with expanding Five Eyes remit, describes relations with China as water beasts and dragons," *French Radio International*, April 19, 2021, <https://reurl.cc/jgM7QL>.

<sup>13</sup> "China's Ministry of Commerce: China-EU Investment Agreement begins technical preparations," *Central News Agency*, July 8, 2021, <https://www.cna.com.tw/news/aopl/202107080230.aspx>.

confidence in the United States. It is also worth observing whether such actions may enhance the effectiveness of China's economic poker game.

## V. Conclusion

It is probably a serious strategic misjudgment Beijing has made that Washington will eventually play the role of a “coward” in the U.S.-China rivalry as long as China sticks to its hard-line approach and the U.S. chooses to retreat to avoid a full-scale conflict with China. In addition, it is debatable whether the strengths of the East and the West have entered a golden crossover, as Beijing has judged. In order to allay the grave concerns of U.S. allies and to salvage the declining public support and the possible loss of the 2022 midterm elections, the Biden administration is more likely to take a hard-line approach in the Indo-Pacific region. In particular, the withdrawal of troops from the Middle East for strategic reorientation would leave Washington better positioned to meet Beijing's challenge. If the Republican Party returns to power in 2022 and 2024, it can be expected that its policy toward China will only be more aggressive than the current Biden administration, both in terms of economic disengagement and military confrontation. In short, no matter which party is in power in Washington, there will be no reason for the new American government to reconcile with China. When both sides must take a confrontational route, the worst-case scenario is that the relationship between China and the United States will enter a “Chicken Games” dilemma. Even if a full-scale military conflict does not break out, it can be expected to enter a long-term confrontation with clear-cut barriers, then both China and the U.S. will try to make the relevant countries join their camp, and the ambiguity of “not choosing sides” for the Indo-Pacific countries will be compressed to the minimum extent.



# Chapter 4

## Russia's Strategy for the Indo-Pacific Region and Its Implications

Shiau-Shyang Liou\*

### I. Introduction

The world situation for Russia in 2021 has its continuity and discontinuity. After Joe Biden took office at the beginning of the year, the New START treaty was extended, and the pressure on Russia in the field of arms control was slightly relieved. However, the pattern of Russia and China uniting against the U.S. remains unchanged and is likely to intensify into an ideological confrontation as Biden frames rivalry between the U.S., China and Russia as a struggle between democracy and authoritarianism.<sup>1</sup>

Although the U.S. Strategic Framework for the Indo-Pacific, which was declassified before Donald Trump left office, treats Russia as a minor player relative to the United States, China, and India;<sup>2</sup> however, Biden's Interim National Security Strategic Guidance (INSSG) has identified China and Russia as the primary opponents and declared that the U.S. would work with partners in the Indo-Pacific and Europe to deter them.<sup>3</sup> Therefore, Russia, which straddles Europe and Asia, obviously cannot stay away.

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<sup>1</sup> President Joseph R. Biden, Jr., *Interim National Security Strategic Guidance*, *The White House*, March 2021, p. 6, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-lv2.pdf>.

<sup>2</sup> "U.S. Strategic Framework for the Indo-Pacific," *The White House*, January 6, 2021, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/IPS-Final-Declass.pdf>.

<sup>3</sup> *Interim National Security Strategic Guidance*, pp. 8, 15.

Russia, which wants to play the role of a balancer, does not want to be involved in the U.S.-China confrontation under the U.S. “Indo-Pacific Strategy” but still has to respond to the changes in the process. Moreover, because the Indo-Pacific region is relevant to its return to a superpower, Russia must also lay out in the Indo-Pacific region to protect its strategic interests.

## II. Russia’s Strategic Layout in the Indo-Pacific Region

Following the Ukraine crisis, Russia has accelerated its “Pivot to the East” and proposed the “Greater Eurasian Partnership” in 2016 in order to get out of the predicament. The tensions between Russia and the West have spread from Europe to the Indo-Pacific region as the pattern of Russia and China uniting against the U.S. has become increasingly obvious. The 2021 National Security Strategy of the Russian Federation declares its intention to ensure economic integration and multilateral cooperation through the framework of the “Greater Eurasia Partnership”, in particular by developing a strategic partnership with China and India to ensure stability and security in the Asia-Pacific region on a non-aligned basis.<sup>4</sup> This is because a stable Asia-Pacific region will facilitate the development of the lagging Asian Russia region, and China and India are indispensable strategic pillars for Russia’s return to its former great power status.

The “Greater Eurasian Partnership” aims to establish a broad community of all Eurasian countries from the Atlantic to the Pacific, including the Eurasian Economic Union (EAEU), the Shanghai Cooperation Organization (SCO), the Association of Southeast Asian Nations (ASEAN) and the European Union (EU).<sup>5</sup> Despite Russia criticizes of the term “Indo-Pacific”, the geographic scope of the “Greater Eurasian Partnership” does encompass the Indo-Pacific region.

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<sup>4</sup> Paragraph 6 and 7 of Article 101 of the 2021 National Security Strategy of the Russian Federation. See “Указ Президента Российской Федерации от 02.07.2021 г. № 400 ‘О Стратегии национальной безопасности Российской Федерации’,” *Президент России*, 2 июля 2021, <http://www.kremlin.ru/acts/bank/47046>.

<sup>5</sup> Сергей Лавров, “Мир на перепутье и система международных отношений в будущем,” *Россия в глобальной политике*, No. 5, 30 октября 2019, <https://globalaffairs.ru/articles/mir-na-perepute-i-sistema-mezhdunarodnyh-otnoshenij-v-budushhem/>.

Operationally, Russia has turned to the East with the Eurasian Economic Union as its axis, initially seeking to sign free trade agreements with these countries and eventually establishing larger a free trade area such as the (EAEU-ASEAN Free Trade Area) to further enrich the “Greater Eurasian Partnership”.

Vietnam, Singapore, Iran (provisional agreement), and Serbia have signed FTAs with the Eurasian Economic Union, Indonesia is preparing to sign, Iran is starting full-scale FTA negotiations, and China, India, Egypt, Israel, Thailand, and Mongolia are negotiating. Although the progress has been slow, it is clear that the economic tentacles of the “Greater Eurasia Partnership” have been extended to the Indo-Pacific region.

China and India are the key pillars of the “Greater Eurasia Partnership” in the Indo-Pacific region. As the confrontation between China and the United States intensifies, the best choice for China is to join Russia to fight against the United States. However, India, which is the object of the “Greater Eurasian Partnership” and the “Indo-Pacific Strategy”, is taking advantage of the opportunity to maneuver between various parties. This is not only casts a shadow on the Russo-Indian relations but impacts Russo-Indian arms sales significantly. In view of the increasingly close relationship between Russia and China as well as the contradictions between the two countries, if Russia wants to unite China and oppose the U.S. without being subject to China, it must take advantage of India to control China and balance multiple parties. Therefore, Russia's cooperation with China against the United States still needs to stabilize the Russo-Indian relations, which will help to dominate the Russo-Chinese relations, but also conducive to the promotion of the “Greater Eurasian Partnership”.

### **III. Russia's Practice of Safeguarding its Strategic Interests**

#### **1. Promoting Russo-Chinese Military Cooperation**

##### *(1) Manipulating strategic ambiguity*

In June 2021, Russia and China issued a joint statement on the 20<sup>th</sup> anniversary

of the signing of the Treaty of Good-Neighborliness and Friendly Cooperation Between the Russian Federation and the People's Republic of China (hereinafter referred to as "the statement"), which pointed out that the epidemic has intensified the global game and highlighted the value of the treaty, and therefore the need for its renewal. It also emphasizes that Russo-Chinese relations are not similar to the military-political alliance during the Cold War, but are new type of international relations that go beyond this model, do not seek expediency and ideology, fully consider each other's interests, do not interfere in each other's internal affairs, have independent values, and do not target at any third country.<sup>6</sup>

Article 9 of the treaty has often been questioned as a deliberate attempt to leave room for the military alliance between Russia and China.<sup>7</sup> This is why the statement clarifies the situation, but it is still in line with the previous formula of no alliances, no confrontation, and no targeting at third countries, which is another kind of strategic ambiguity. When this treaty was signed in 2001, it was intended to express that Russia and China had no territorial claims on each other and that there was no need for a military alliance. However, in recent years, the U.S. has been rapidly becoming hostile to Russia and China, and the strategic ambiguity provided by the treaty of not explicitly having an alliance, but being able to cooperate strategically and not having to bear the corresponding pressure, has suited the needs of both countries.

There is an argument that Russo-Chinese relations are an axis of convenience and their cooperation is driven by expediency and opportunism rather than genuine

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<sup>6</sup> "Совместное заявление Российской Федерации и Китайской Народной Республики к двадцатилетию подписания Договора о добрососедстве, дружбе и сотрудничестве между Российской Федерацией и Китайской Народной Республикой," *Президент России*, 28 июня 2021, <http://static.kremlin.ru/media/events/files/ru/hkwONx0FSpUGgXPaRU3xUHRmkRneSXIR.pdf>.

<sup>7</sup> Article 9 states that when a situation arises in which one of the contracting parties deems that peace is being threatened and undermine or its security interests are involved or when it is confronted with the threat of aggression, the contracting parties shall immediately hold contacts and consultations in order to eliminate such threats. See "Договор о добрососедстве, дружбе и сотрудничестве между Российской Федерацией и Китайской Народной Республикой," *Министерство иностранных дел Российской Федерации*, 16 июля 2001, [https://www.mid.ru/web/guest/maps/cn/-/asset\\_publisher/WhKWb5DVbqKA/content/id/576870](https://www.mid.ru/web/guest/maps/cn/-/asset_publisher/WhKWb5DVbqKA/content/id/576870).

common interests.<sup>8</sup> This can be seen in Russian President Vladimir Putin's erratic attitude toward the military alliance between Russia and China. In 2019, Putin mentioned that Russo-Chinese relations were only reflected in economic alliances but soon announced that Russia was building a missile warning system for China. In 2020, he stated that there was no need for a military alliance between Russia and China but added that it was theoretically conceivable. In 2021, he approved the National Security Strategy of the Russian Federation, which emphasized the strengthening of Russo-Chinese relations on a non-alliance basis. At the 18<sup>th</sup> annual meeting of the Valdai International Discussion Club in 2021, on the issue of the North Atlantic Treaty Organization (NATO) seeing Russia and China as a common threat and whether Russia should unite China, he stated that Russia's friendship with China is not against anyone but for mutual benefit. Unlike NATO, we have no intention of creating a military coalition.<sup>9</sup> Putin's manipulations have taken the strategic ambiguity of the treaty to the extreme and have put considerable pressure on the United States.<sup>10</sup>

## (2) *Conveying political signals through military exercises*

Russia and China often deliberately use military exercises to send political signals due to the tensions with the United States, such as the "Joint Sea 2014" East China Sea military exercises, the "Joint Sea 2015" first stage Mediterranean military exercises, and the "Joint Sea 2017" first stage Baltic military exercises. However, this is still not as good as China's recent participation in Russia's highest-level strategic exercises: Vostok-2018, Tesntr-2019, Kavkaz-2020 and

<sup>8</sup> Bobo Lo, *Axis of Convenience: Moscow, Beijing, and the New Geopolitics* (London: Chatham House, 2008), p. 3.

<sup>9</sup> "Владимир Путин принял участие в XVIII Ежегодном заседании Международного дискуссионного клуба «Валдай». Стенограмма пленарной сессии," *Валдай Международный дискуссионный клуб*, 21 октября, 2021, <https://ru.valdaiclub.com/events/posts/articles/vladimir-putin-xviii-ezhegodnoe-zasedanie-mezhdunarodnogo-diskussionnogo-kluba-valday-stenogramma/>.

<sup>10</sup> Admiral Charles Richard, commander of U.S. Strategic Command, worries about Russo-Chinese military cooperation because Washington has not faced such a rival in 30 years. Russia and China have the most modern strategic nuclear weapons and fleets. Their active cooperation is not only in the military but also in the cyber security field. Therefore, it is necessary for the United States to revise the theory of deterrence for these two countries. See also "В ВС США заявили, что обеспокоены сотрудничеством России и КНР в оборонной сфере," *TASS*, 26 августа 2021, <https://tass.ru/mezhdunarodnaya-panorama/12231121>.

Zapad-2021, which Russia has conducted without inviting outsiders.<sup>11</sup> This implies that Russo-Chinese military cooperation has moved to a different stage since then. The change is linked to the deterioration of Russo-American relations and the signing of the Russo-Chinese Military Cooperation Roadmap for 2017-2020 in June 2017. In the following year Russo-Chinese military cooperation underwent a qualitative change. In addition to the aforementioned strategic exercises, Russia and China have conducted joint strategic air patrols in the Asia-Pacific region for two consecutive years since 2019, deliberately provoking U.S. allies.

The Zapad/Interaction-2021 exercise, conducted in August 2021, which aims to test the capabilities of Russia and China in joint operations against terrorism, is also one of such qualitative changes. If the exercise is intended to counter terrorism, it should be held within the framework of the Shanghai Cooperation Organization, which has a counter-terrorism purpose, in order to be most effective. The main focus of the exercise was the launch of a bilingual Russian-Chinese command information system and the testing of a direct command link to the end of the two armies' platforms. The joint exercise is also completed using the opposing side's main combat equipments since the Kavkaz-2020 exercise. Russia and China have now taken the first step toward real joint operation. However, the extent of the joint operations should be considered confidential, but Russia and China deliberately publicize it. It is clear that the real purpose is to demonstrate against the United States, where counter-terrorism is secondary. After all, the world also did not expect the Taliban to regain control of Afghanistan so quickly.

The first joint Russo-Chinese maritime strategic cruise, which ended on October 23, 2021, has created another ripple in the Western Pacific. The joint cruise was a joint formation of ten ships and six helicopters after the "Joint Sea 2021" on October 17, which first crossed the Tsugaru Strait between Hokkaido and Honshu Islands and then went south to cross the Osumi Strait between Osumi Peninsula

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<sup>11</sup> "Zapad-2021" was held in Russia and Belarus in September 2021. Given that the series of "Zapad" exercises have always targeted NATO and the U.S. in order to avoid substantiating NATO's accusation that China poses a "systemic challenge" to them, this time China only sent personnel to observe, and the level of participation was not as high as before.

and Tanegashima Island, Kagoshima Prefecture, Japan. It is like sailing around the Japanese archipelago. As tensions rise with the United States, similar provocative moves by Russia and China are likely to increase in the future.

The Russo-Chinese military exercises may also be extended to missile warning systems and cyberspace in the future. The former depends on the progress of system construction and situation changes, while the latter can be seen in recent developments. The aforementioned statement not only stresses the importance of retaining domestic cyber governance sovereignty but also states that Russia and China will consolidate bilateral and multilateral cooperations in the international information security field, promote the construction of a global information security system that prevents conflicts and encourages the peaceful use of technology, and develop feasible measures to counter threats in the information security field. At the end of July 2021, Russian Deputy Foreign Minister Sergei Ryabkov expressed his hope for the normalization of the Russia-U.S. cybersecurity dialogue after the conclusion of the Russia-U.S. Strategic Stability Dialogue. He hoped that the U.S. would not limit itself to cyber fraud, as cyber-attacks on weapons control systems such as drones or critical infrastructure are equally important issues related to security and warfare, and he looked forward to the U.S. response.<sup>12</sup> Since the new version of the Russian Federation National Security Strategy accuses the West of subverting Russian cultural sovereignty and social governance through cyber infiltration and does not rule out responding with symmetric or asymmetric means,<sup>13</sup> it is possible that Russia and China will hold joint cyber exercises in the future to pressure the United States.

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<sup>12</sup> “Рябков назвал приземленной и деловой встречу с США по стратегической стабильности,” *TACC*, 28 июля 2021, <https://tass.ru/politika/12009721>.

<sup>13</sup> See Articles 49, 50, 51, 53, 87, 88, 99 of the 2021 National Security Strategy of the Russian Federation.

## 2. Stabilizing Russo-Indian Relations

### (1) *Resisting disassociation from Indo-Pacific Strategy*

Despite its reputation as a “special and privileged strategic partnership”, Russo-Indian relations have recently been marred because India’s relationship with the West is too close. In December 2020, Russian Foreign Minister Sergey Lavrov publicly denounced the U.S.-led West considers India a pawn in the Indo-Pacific strategy to restore unipolar world order and further split the special relationship between Russia and India.<sup>14</sup> While Nikolay Kudashev the Russian Ambassador to India, and his deputy Roman Babushkin expressed understanding of India’s vision of inclusiveness in the Indo-Pacific, they remained concerned that the Quadrilateral Security Dialogue (QUAD) would have a negative impact on region stability and emphasized that the “Greater Eurasian Partnership” would integrate Russia, China, and India.<sup>15</sup> However, Moscow finally canceled the previously postponed summit of Russian and Indian heads of state due to the COVID-19 pandemic. It is the first time in 20 years, moreover, it further causes an uproar in the Indian public opinion. India still actively participated in the first-ever “QUAD” online heads of state meeting in March 2021, indicating that India could not resist the “Indo-Pacific Strategy”. This is because the “Indo-Pacific Strategy” can prove India’s great power status. Nevertheless, Russia still declared that it would hold bilateral annual heads of state summit at the end of the year after the July 2021 meeting between the Russian and Indian foreign ministers.<sup>16</sup> At the sixth Eastern Economic Forum in September 2021, Russia invited India to invest in its Far East development, and Indian Prime Minister Narendra Modi announced that India would be Russia’s partner in the development of the Northern Sea Route (NSR), becoming a reliable

<sup>14</sup> Сергей Лавров, “Выступление на Общем собрании Российского совета по международным делам,” *Российский совет по международным делам*, 8 декабря, 2020, <https://russiancouncil.ru/analytics-and-comments/analytics/vystuplenie-na-obshchem-sobranii-rossiyskogo-soveta-po-mezhdunarodnym-delam/>.

<sup>15</sup> Rezaul H. Laskar, “Russia understands India’s Vision of Indo-Pacific, Has Concerns About Quad: Russian Diplomats,” *Hindustan Times*, December 21, 2020, <https://www.hindustantimes.com/india-news/russia-understands-india-s-vision-of-indo-pacific-has-concerns-about-quad-russian-diplomats/story-ngJamb9wWTfA6aP2SFM7NK.html>.

<sup>16</sup> “Ежегодный российско-индийский саммит состоится до конца 2021 года,” *TACC*, 9 июля 2021, <https://tass.ru/mezhdunarodnaya-panorama/11866689>.

partner for Russia's Far East development vision.<sup>17</sup> At first glance, this may seem like a win for Russia, but it may only be one round of the Russian-U.S. rivalry. The Russian-U.S. competition for India shows that while the U.S. "Indo-Pacific strategy" aims at China, Russia will not tolerate any possibility of shaking the layout of the "Greater Eurasian Partnership". The geopolitical competition between the "Indo-Pacific strategy" and the "Greater Eurasian Partnership" is inevitable after all.

## (2) *Efforts to preserve the market share of Indian armaments*

The Russo-Indian arms sales are the central axis of Russo-Indian relations and Russia's significant interests in the Indo-Pacific, but Russia has been losing its advantage in recent years. From 2011 to 2020, Russia has been the largest supplier of Indian armaments, but the share of arms sales has dropped 53% during this period. If we compare the two phases in the previous and next five years, the share of Russian-made weapons in India's arms imports has fallen from 70% to 49%. While this is related to the overall decline in arms imports due to India's complex and lengthy acquisition process, it is also influenced by India's desire to reduce its dependence on Russian-made armaments.

While the United States is a long-standing competitor to Russia in the Indian arms market, U.S. arms sales to India from 2016 to 2020 are down 46% from the previous period (2011-2015), dropping from India's second-largest source of armaments to fourth place. Despite the positive attitude of the United States, France and Israel are Russia's biggest challengers in the Indian arms market. India's arms imports from France increased by 709% while those from Israel rose by 82%.<sup>18</sup>

Although several large Russo-Indian arms sales were completed by 2020, India

<sup>17</sup> "Индия поможет России развивать Северный морской путь," *ТАСС*, 3 сентября 2021, <https://tass.ru/ekonomika/12294941>; "Нарендра Моды: Индия будет надежным партнером России на Дальнем Востоке," *Российская газета*, 3 сентября 2021, <https://rg.ru/2021/09/03/narendra-modi-india-budet-nadezhnym-partnerom-rossii-na-dalнем-vostoke.html>.

<sup>18</sup> Pieter D. Wezeman, Alexandra Kuimova and Siemon T. Wezeman, *Trends in International Arms Transfers, 2020* (Stockholm: SIPRI, 2021), p. 9.

placed several orders with Russia in 2019-2020, so Russo-Indian arms sales are still promising in the near term.<sup>19</sup> However, India's Multi-Role Combat Aircraft (MMRCA) bid, which has been delayed for years, is significantly uncertain. In the face of the U.S. strategy of linking the "Indo-Pacific strategy" to arms sales, Russia may not win the bid for its Su-35 fighter aircraft, despite its inherent advantage of having Russian weapons as the mainstream equipment of the Indian army.<sup>20</sup> The fighter aircraft bid is crucial to Russia's future influence on India, and a successful bid would influence the U.S. "Indo-Pacific strategy" and allow it to maneuver with the U.S. in Europe and balance the Russo-Chinese relations.

#### **IV. The impact of Russia's Strategic Layout on the Indo-Pacific Region and Future Developments**

##### **1. Russia can Constrain the U.S. "Indo-Pacific Strategy"**

From March to April 2021, Russia launched the largest military exercise near the Russo-Ukrainian border since the annexation of Crimea in 2014, which raised concerns that the conflict would escalate into a major war and suggested that China might take the opportunity to invade Taiwan. Russia has also used this gray area tactics to prove its ability to influence the international situation. It has been concerned whether the U.S. has been prepared to fight on both sides in the face of the reality of the Russo-Chinese cooperation against the U.S., nor has it been able to divide the increasingly close Russo-Chinese military cooperation, which

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<sup>19</sup> Wezeman, Kuimova and Wezeman, *Trends in International Arms Transfers*, 2020, p. 4.

<sup>20</sup> For the competition for India's next-generation fighter bid, please refer to Shiao-Shyang Liou, "India's Next-Generation Fighter Bid Affecting the Future Indo-Pacific Layout," *National Defense and Security Real-time Assessment*, No. 135, February 23, 2021, [https://indsr.org.tw/tw/News\\_detail/3331/](https://indsr.org.tw/tw/News_detail/3331/) 牽動未來印太格局的印度下一代戰機標案。

is tantamount to a quasi-alliance.<sup>21</sup> In August 2021, the U.S. launched the largest maritime exercise-Large Scale Exercise since the Cold War. The U.S. Army's Stars and Stripes newspaper further declared that the exercise was a signal to China and Russia that the U.S. was capable of multifaceted warfare to repel aggression.<sup>22</sup> However, this cannot quell the doubts the rivalry between Russia and the U.S. in Europe will affect the Indo-Pacific situation. Instead, it opens up the infinite imagination of the chain effect.

The development of the Indo-Pacific region is crucial to Russia's future national destiny because the development of Asian-Russia is closely related to Russia's future economic development. In the case of Russia's inability to develop independently, the introduction of foreign investment from the Indo-Pacific region is necessary. Moreover, China and India are indispensable pillars of Russia's great power strategy and are crucial to its return to its former status as a great power alongside the United States. For the U.S., the Indo-Pacific region is its global strategic priority, but how to take care of both the European and Asian battlefields is a significant challenge.

The Russo-U.S. summit in Geneva in June 2021 aims to find strategic stability and rules of confrontation to avoid a worst-case scenario. The U.S.-China confrontation has forced the United States to seek a stable and predictable U.S.-Russian relationship to compete with China intently. However, this does not mean that the U.S. is willing to compromise, and after the Geneva summit the

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<sup>21</sup> Jack Detsch and Amy Mackinnon, "China and Russia Turn Deeper Ties into a Military Challenge for Biden," *Foreign Policy*, April 20, 2021, <https://foreignpolicy.com/2021/04/20/china-russia-military-attention-us-policy-xi-putin-biden-taiwan-ukraine/>. For the motives and influence of Russia's launch of the grey zone tactics near the Russo-Ukrainian border, please refer to Shiau-Shyang Liou, "Russia Returns to Great Power Status with the Grey Zone Tactics against Ukraine", *Real-time Review of National Defense and Security*, No. 153, April 12, 2021, [https://indsr.org.tw/tw/News\\_detail/3352/](https://indsr.org.tw/tw/News_detail/3352/)俄羅斯藉對烏克蘭灰色地帶衝突重返大國地位; Shiau-Shyang Liou, "An Analysis of the Chain Effect of the Grey Zone Conflict near the Russo-Ukrainian Border on Taiwan," *Real-time Review of National Defense and Security*, No. 167, May 6, 2021, [https://indsr.org.tw/tw/News\\_detail/3370/](https://indsr.org.tw/tw/News_detail/3370/) 近期俄烏邊境灰色地帶衝突對臺灣的連鎖效應評析.

<sup>22</sup> Alison Bath, "Navy and Marine Exercise to Span 17 Time Zones on a Scale Last Seen During the Cold War," *Stars and Stripes*, August 2, 2021, <https://www.stripes.com/branches/navy/2021-08-02/largest-scale-us-naval-and-amphibious-exercise-in-40-years-starting-sixth-fleet-2413231.html>.

U.S. continued to use the “Navalny incident”<sup>23</sup> as a reason to sanction Russia. Although Russia wants to normalize the Russo-American relations, Russia still sticks to its bottom line and reluctant to make concessions on its internal affairs and “near abroad” issues. Nevertheless, while Russia can affect the security situation in Europe, Russia can keep the U.S. in check as long as the U.S. does not want the conflict to get out of hand. After all, if the U.S. fails to fulfill its security commitments in Europe, it could seriously undermine its global supremacy. It is inconceivable that the U.S. would trade European geopolitical interest for a coalition with Russia against China. However, if China is willing to make concessions to Russia or give its full support in critical areas, Russia may repeat its gray-zone tactics near the Russo-Ukrainian border and even conspire with China to synchronize the efforts in Europe and the Indo-Pacific to impede the U.S. so as to make the U.S. too overstretched to focus on China.

## **2. Russia, the U.S., China, and India have Failed to Negotiate**

While Russia and China unites, Russia can affect the situation on Europe and create a chain effect in the Indo-Pacific region. It is highly unfavorable to the United States, but the Russo-Chinese relations are not impeccable. Russia has repeatedly acknowledged that the Russo-Chinese relations are at the best stage, but since the “Pivot to the East” Russia’s expectancies have been not as expected with China gaining much ground, leading to the questions about whether the “Pivot to the East” was a mistake.<sup>24</sup> The aforementioned statement also has an unusual atmosphere. It mentioned the need to strengthen the cooperation on the use of the Northern Sea Route based on mutual benefit and respect for the interests of countries along the route and promote the sustainable development of the Arctic.

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<sup>23</sup> Alexei Navalny is a well-known Russian opposition figure. He was suspected of being poisoned by the Russian authorities in August 2020. Navalny once went abroad for medical treatment, but he was arrested and sentenced to prison after returning to the country. Western countries have imposed sanctions on Russia and demanded the release of Navalny on the grounds that Moscow is suppressing dissidents and threatening democratic values. The incident has so far continued to show no signs of stopping.

<sup>24</sup> Sergey Sukhankin, “Russia’s Pivot to Asia (China) After 2014: The Wrong Turn?” *Eurasia Daily Monitor*, Vol. 18, Iss. 91, June 8, 2021, <https://jamestown.org/program/russias-pivot-to-asia-china- after-2014-the-wrong-turn/>.

Apart from not using the Chinese term “Polar Silk Road”, it also stressed the need to respect Russia's interests. This is because Russia has always regarded its Northern Sea Route as its internal waters and does not allow others to violate its sovereignty. Therefore, even if Russia needs China's help, Russia still wants to lead the development of this route and uphold its sovereignty. Russia is also seeking other aids to avoid overreliance on China. In addition to seeking India's support at the aforementioned Eastern Economic Forum, Rosatom, which leads the operation of the route's infrastructure, signed an agreement with Dubai Ports World in July 2021 to cooperate in its development.<sup>25</sup>

Russia, the United States, and China have their grand strategies in the Indo-Pacific, with Russia proposing the “Greater Eurasian Partnership”, the United States “Indo-Pacific Strategy”, and China “A Community with A Shared Future”, all of which present India as a critical role. However, given the legacy of Sino-Indian relations and the intensification of border conflicts and the threat to India's national security posed by the String of Pearls and the Belt and Road Initiative, it is difficult to imagine India supporting China. Therefore, in order to counter China, India has swung between Russia and the U.S. India's desire to unite the U.S. and contain China while keeping a distance from the U.S. to avoid damaging Indo-Russian relations has not yet met Russia's expectations and has alienated Russia. However, in order to consolidate its strategic layout of returning to great power status, Russia still needs to stabilize the Russo-Indian relations, and India also needs Russia's strength to maneuver with the West.

The Indo-Pacific is not a national security concern for Russia, but it is still relevant to its future national economic development and strategic layout. The development of the world situation, which closely links Europe and the Indo-Pacific, is both an opportunity and a challenge for Russia. Although the evolution of the situation has given Russia a sense of respect as a great power that it has not had for a long time, it may also accelerate its decline if not handled carefully, so Russia still has to deal with it step by step.

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<sup>25</sup> “Росатом и DP World подписали соглашение о сотрудничестве,” *РОСАТОМ*, 23 июля 2021, <https://rosatom.ru/journalist/news/rosatom-i-dp-world-podpisali-soglashenie-o-sotrudnichestve/>.

## V. Conclusion

Russia's strategic layout and practice in the Indo-Pacific region is part of its "Greater Eurasia Partnership", which aims to return to its former great power status. After years of operation in the Indo-Pacific region, the "Greater Eurasian Partnership" achieves some economic success. Moreover, as the U.S. confrontation with China and Russia intensifies, the pattern of Russia and China uniting against the U.S. is becoming more and more solid, and the Russo-Chinese military cooperation is putting pressure on the U.S. However, the Russo-Indian relations are becoming more and more divided. If Russia wants to unite with China against the U.S. and not be subjected to China, it must utilize India to contain China, so it needs to stabilize Russo-Indian relations. Nevertheless, the Russo-Indian relations are facing strong challenges from the "Indo-Pacific Strategy" in recent years, but India still needs Russia, so Russo-Indian relations are unlikely to break up.

After the Ukraine crisis, Russia's relations with the West are unlikely to warm up, and the focus of world economic development has shifted to the Indo-Pacific, so the Indo-Pacific is becoming increasingly important in Russia's global strategic layout. This is why the 2021 Russian Federation's National Security Strategy also considers that the relations with China and India should be strengthened. In 2020, there was an argument within Russia of taking advantage of COVID-19 to act as a balancer of global affairs. Although it was not well received by outsiders at the time, and Russia's strategic layout in the Indo-Pacific was a mixed combination of acceptance and opposition, however, its ability to influence the European security situation in 2021 not only constrains the U.S. but also have a knock-on effect on the Indo-Pacific situation. The close connection between the European and the Indo-Pacific situations has made Russia a variable that cannot be ignored in the Indo-Pacific order.

# Chapter 5

## European Union and Major European Countries' Indo-Pacific Engagements

Jyun-Yi Lee\*

### I. Introduction

In March 2019, the European Union (EU) published the EU-China-A Strategic Outlook, which positions China as a partner for cooperation and negotiation, an economic competitor, and a systemic rival.<sup>1</sup> This positioning remains the EU's stance toward China to date. However, as relations between Europe and China continue to deteriorate between 2020 and 2021, there seem to be more calls to see China as a competitor and rival than as a partner.<sup>2</sup> The EU-China Comprehensive Agreement in Investment (CAI) is particularly representative of this turn of events. On March 22, 2021, the EU sanctioned four Chinese officials and the Public Security Bureau of the Xinjiang Production and Construction Corps over human rights issues in Xinjiang, prompting China to retaliate by sanctioning several members of the European Parliament, members of individual states' parliaments, and EU institutions and think tanks. On May 20, the European Parliament decided to freeze consideration of the CAI because of China's counter-sanctions and the Hong Kong issue.<sup>3</sup>

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<sup>1</sup> "EU-China—A Strategic Outlook," *European Commission*, March 12, 2019, <https://tinyurl.com/33y87m3c>.

<sup>2</sup> The term "Europe" is used in this chapter to refer to the European Union, its member states, and other non-EU member states, such as the post-Brexit United Kingdom.

<sup>3</sup> "European Parliament Resolution of 20 May 2021 on Chinese Countersanctions on EU Entities and MEPs and MPs," *European Parliament*, May 20, 2021, <https://tinyurl.com/yjbd54n>.

While economic and trade interests remain the central axis of EU-China relations, the differences in human rights and institutions are becoming more pronounced. Strategic competition between the U.S. and China and the return of multilateralism in U.S. foreign Policy are the external conditions for changes in bilateral relations. The deterioration of EU-China relations has led the EU and central European countries to strengthen their engagement with the Indo-Pacific region, as evidenced by the publication of several Indo-Pacific policy documents and related practices. However, due to geographical constraints, Europe's attention and involvement in Indo-Pacific affairs are still primarily political and symbolic.

## **II. Factors for the Deterioration of European-China Relations**

The following factors generally influence the changes in the relationship between Europe and China:

### **1. Increasing Divergence between Europe and China**

Europe's concern for politics and security is increasingly more severe than its pursuit of economic interests. Over the years, the EU has complained that China has made limited progress on reforms to liberalize market access, reduce subsidies to businesses, stop forced technology transfers and protect intellectual property rights. These grievances and frustrations have gradually turned into an argument for concrete action against China. In this atmosphere, China's persecution of the Uighurs in Xinjiang, its disdain for the Sino-British Joint Declaration and the erosion of Hong Kong's human rights, the rule of law and autonomy, its expansion in the South China Sea, and its threat of force against Taiwan, directly challenge the EU's self-proclaimed identity as a "normative power." In April 2021, Ursula von der Leyen, President of the European Commission, and Josep Borrell, High Representative for Foreign Affairs and Security Policy and Vice-President of the Commission, sent a letter to the European Council regarding an internal report, stating that there are fundamental differences between Europe and China on "the economic system, the management of globalization, democracy, and human rights,

and cooperation with third countries,” which make it difficult to maintain the differentiation between commercial interests and political considerations.<sup>4</sup>

In addition, the threats of China in infrastructure, cyber security, and emerging technologies are becoming increasingly apparent. In addition to European concerns about Huawei’s involvement in its 5G build-out, on July 19, 2021, and in response to the hacking of the Microsoft Exchange server, the EU High Representative for Foreign Affairs and Security Policy also issued a statement to urge the Chinese government to address malicious cyber operations originating from its territory.<sup>5</sup> China has responded to these and other European concerns and criticisms with threats and “wolf warrior diplomacy.” In March 2021, the French Foreign Ministry summoned Chinese Ambassador Lu Shaye for threatening French parliamentarians and humiliating scholar Antoine Bondaz. In April, Chinese Ambassador Gui Congyou threatened Swedish journalists, prompting opposition parties in Sweden to demand his expulsion from the country. The Chinese embassy responded forcefully.<sup>6</sup>

Finally, China’s actions during the COVID-19 pandemic, such as denying the origin of the pandemic, opposing international investigations, promoting the superiority of its system, and criticizing the West’s handling of the pandemic, have also exacerbated the confrontation between the two sides. A Pew Research Center survey of nine European and five other democracies shows that negative perceptions of China increased significantly in most countries during the pandemic, reflecting the structural change in Europe-China relations.<sup>7</sup>

<sup>4</sup> Stuart Lau, “EU Slams China’s ‘Authoritarian Shift’ and Broken Economic Promises,” *Politico*, April 25, 2021, <https://tinyurl.com/ack9m8hj>.

<sup>5</sup> “China: Declaration by the High Representative on Behalf of the European Union Urging Chinese Authorities to Take Action against Malicious Cyber Activities Undertaken from Its Territory,” *Council of the EU*, July 19, 2021, <https://tinyurl.com/vy6kwttv>.

<sup>6</sup> “France Summons Chinese Ambassador Over ‘Unacceptable’ Tweets,” *France 24*, March 23, 2021, <https://tinyurl.com/3xt74vj5>; Hannah Somerville, “China’s Embassy in Sweden Under Fire Over ‘Threats’ to Journalist,” *Euronews*, April 12, 2021, <https://tinyurl.com/y4zuauze>.

<sup>7</sup> Laura Silver, Kat Devlin and Christine Huang, “Unfavorable Views of China Reach Historic Highs in Many Countries,” *Pew Research Center*, October 6, 2020, <https://tinyurl.com/68w3v8tv>. Nine European countries are Belgium, UK, Denmark, France, Italy, Germany, the Netherlands, Spain and Sweden; the remaining five countries are Australia, Canada, Japan, South Korea and the United States.

## 2. U.S.-China Strategic Competition and the Biden Administration's Return to Multilateralism

The U.S.-China relationship also affects the Europe-China relationship. After taking office, the Joe Biden administration has continued the Trump administration's position that the U.S.-China relationship is a "strategic competition" and has re-emphasized multilateralism. In June 2021, Biden attended the Group of Seven (G7) Summit, the NATO Summit, and the U.S.-EU Summit in the United Kingdom to deliver the message that "America is back" and was welcomed by Europe.<sup>8</sup>

The June 13 Communiqué of the Carbis Bay G7 Summit criticized China by name, saying the group would collectively challenge China's non-market policies and practices; called on China to respect human rights and fundamental freedoms, especially in Xinjiang and Hong Kong; reaffirmed a free and open Indo-Pacific, and emphasized peace in the Taiwan Strait, East China Sea, and South China Sea.<sup>9</sup>

The June 14 NATO Brussels Summit Communiqué asserted that "China's growing influence and international policies" could be a challenge for NATO allies to address together, and called China's stated ambitions and arbitrary behavior a "systemic challenge" to the "rules-based international order" and NATO's security. This is the first time that NATO refers to China in a communiqué as a security threat, although it retains room for cooperation with China on issues such as climate change.<sup>10</sup>

The U.S.-EU Summit Statement of June 15 stated that the U.S. and Europe have similar approaches to China, which encompasses cooperation, competition, and systemic challenges, and that they will consult and cooperate closely. The U.S. and EU expressed severe concern about situations in East Sea and South China Sea and reiterated the importance of peace and stability in the Taiwan Strait. The Statement

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<sup>8</sup> "G7 Summit: Biden Says America is Back at the Table," *BBC News*, June 14, 2021, <https://tinyurl.com/dc6ur83a>; Stephen Collinson, "Biden Pushes China Threat at G7 and NATO, But European Leaders Tread Carefully," *CNN*, June 15, 2021, <https://tinyurl.com/4nmekmkt>.

<sup>9</sup> "Carbis Bay G7 Summit Communiqué: Our Shared Agenda for Global Action to Build Back Better," *G7 UK 2021*, July 13, 2021, <https://tinyurl.com/4fxaad5n>.

<sup>10</sup> "Brussels Summit Communiqué," *North Atlantic Treaty Organization*, June 14, 2021, <https://tinyurl.com/553tk8k9>.

also reserves room for constructive engagement with China, focusing on issues such as climate change and nuclear non-proliferation.<sup>11</sup>

### 3. No European Consensus on China's Positioning

Europe increasingly views China as a competitor and rival rather than a partner, but it has some reservations about its position on China based on economic and trade interests and diplomatic autonomy. At a press conference on June 10, 2021, French President Emmanuel Macron argued that NATO must “know who our enemies are and where” and that China is not yet a priority compared to Russia, while at the G7 summit, he stressed that “the G7 is not a club hostile to China.”<sup>12</sup> Germany is key to the conclusion of negotiations on the EU-China Investment Agreement. At the NATO summit, Chancellor Angela Merkel argued that “China is our rival in many questions but also our partner in many aspects.”<sup>13</sup> In a video conference with Chinese Foreign Minister Wang Yi on July 9, Borrell said that the two sides have very different views on Hong Kong and Xinjiang, but that Trump’s claim of economic decoupling is not the EU’s intention and not in its interest. Borrell also revealed that he would review the EU’s strategy toward China, which some analysts suggests is the result of pressure from China and some EU member states to remove the description of China as a “systemic rival.”<sup>14</sup>

## III. Europe's Indo-Pacific Engagement

The deterioration of relations between Europe and China has contributed to Europe’s concern about the Indo-Pacific situation and the strengthening of its engagement with the region. The following is a brief overview.

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<sup>11</sup> “U.S.-EU Summit Statement,” *The White House*, June 15, 2021, <https://tinyurl.com/5ff7k4py>.

<sup>12</sup> Michel Rose, “NATO Needs to Know Who its Enemies Are, Says Macron,” *Reuters*, June 11, 2021, <https://tinyurl.com/2bem9v5s>; Stephen Collinson, “Biden Pushes China Threat at G7 and NATO, But European Leaders Tread Carefully,” *CNN*, June 15, 2021, <https://tinyurl.com/4nmekmkt>.

<sup>13</sup> Hans von der Burchard, “Merkel Pushes EU-China Investment Deal over the Finish Line Despite Criticism,” *Politico*, December 29, 2020, <https://tinyurl.com/4a962xzp>; Stephen Collinson, “Biden Pushes China Threat at G7 and NATO, But European Leaders Tread Carefully.”

<sup>14</sup> Stuart Lau, “EU Mulls Review of China Policy, Again,” *Politico*, July 29, 2021, <https://tinyurl.com/kc4yzpm8>.

## 1. Germany's Policy Guidelines on the Indo-Pacific Region

Germany published the Policy Guidelines on the Indo-Pacific Region in September 2020.<sup>15</sup> The report advocates that the meaning of the Indo-Pacific varies depending on how countries and international organizations view China. For Germany, it does not have a territory in the Indo-Pacific region and, as a trading nation, it takes the Indo-Pacific as an economic space where peace and security are important to protect German economic interests. Therefore, Germany expresses its concern about China's hegemonic by engaging with regional organizations and countries, but still wants to balance between regional security on the one hand and trade and economic interests on the other. On August 1, 2021, Germany joined the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) to ensure the freedom and security of trade routes.<sup>16</sup> On August 2, frigate Bayern sailed to East Asia to monitor the United Nations sanctions on North Korea, to demonstrate the relationship between the EU and the Association of Southeast Asian Nations (ASEAN), and to enhance security cooperation with Japan and Australia. Defense Minister Annegret Kramp-Karrenbauer called it a demonstration of Germany's values and interests, as "for our partners in the Indo-Pacific, it is a reality that sea routes are no longer open and secure, and that claims to territory are being applied by the law of might is right."<sup>17</sup>

However, Policy Guidelines on the Indo-Pacific Region does not take a confrontational stance toward China and makes little mention of the role of the United States. The fact that Frigate Bayern initially sought to dock in Shanghai but was rejected by China, and that it refrained from entering within 12 nautical miles of Chinese-claimed features in South China Sea and passing through the Taiwan

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<sup>15</sup> "Policy Guidelines on the Indo-Pacific Region," *German Federal Foreign Office*, September 2020, <https://tinyurl.com/2ucbohjv>.

<sup>16</sup> "International Cooperation to Combat Piracy: Germany Accedes to the International Agreement ReCAAP," *German Federal Foreign Office*, August 1, 2021, <https://tinyurl.com/e4h9xjnb>.

<sup>17</sup> "German Warship Sets Sail for Indo-Pacific Region," *Deutsche Welle*, August 2, 2021, <https://tinyurl.com/3svnc25c>.

Strait indicate an intention of avoiding provoking China.<sup>18</sup>

## 2. The UK's Integrated Review<sup>19</sup>

On March 16, 2021, the UK published *Global Britain in a Competitive Age: Integrated Review of Security, Defense, Development and Foreign Policy* (hereinafter referred to as *Integrated Review*).<sup>20</sup> The UK distinguishes between Russia and China in the security context, viewing the former as an “acute threat” and the latter as a “systemic competitor.” The Chinese threat includes an authoritarian system, very different values, and a danger to Britain’s economic security. This means that the Chinese challenge may be comprehensive but not urgent, and the UK adopts a competitive and cooperative stance towards China.

The *Integrated Review* reaffirms the UK’s goal of joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and becoming an ASEAN dialogue partner. The report reaffirms the dispatch of the carrier strike group led by HMS Queen Elizabeth to East Asia, which was later implemented on April 26. A similar idea was proposed in late 2019 but was reportedly canceled due to Chinese pressure. The deployment underscores that the UK values the Indo-Pacific region more than China; HMS Richmond, a frigate of the carrier strike group, passed through the Taiwan Strait on September 27, sending a message that the Strait is international waters.<sup>21</sup>

The UK has also strengthened its security and diplomatic relations with regional states. On February 3, 2021, the UK and Japan held a 2+2 meeting at the foreign and defense minister’s level between both sides to reaffirm their commitment to a “free and open Indo-Pacific,” a “rules-based international order,” and freedom

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<sup>18</sup> Jens Kastner, “German Frigate Heads to South China Sea; Seeks to Dock at Shanghai,” *Nikkei Asia*, August 18, 2021, <https://tinyurl.com/3zzhdj8>; Liu Zhen and Finbarr Bermingham, “China Denies Request for German Frigate to Make Port Call in Shanghai,” *South China Morning Post*, September 15, 2021, <https://tinyurl.com/ss3v58ma>.

<sup>19</sup> This section is partly adapted from Jun-Yi Lee, “The Defence and Diplomacy Trends and Limitations of the UK’s General Review of Consolidation,” *Defence and Security Bi-Weekly*, Vol. 25, April 1, 2021, pp. 9-14.

<sup>20</sup> *Global Britain in a Competitive Age: Integrated Review of Security, Defence, Development and Foreign Policy* (London: Cabinet Office, UK, 2021), <https://tinyurl.com/arcfhvpr>.

<sup>21</sup> Kari Soo Lindberg and Cindy Wang, “UK Warship Transits Taiwan Strait for First Time Since 2019,” *Bloomberg*, September 27, 2021, <https://tinyurl.com/3mpbae4z>.

of navigation and overflight in the South China Sea.<sup>22</sup> In terms of engagement with ASEAN, then Foreign Secretary Dominic Raab visited Indonesia and Brunei from April 7 to 9. The UK also invited Brunei to participate in the G7 foreign ministers' meeting being held in May, demonstrating the importance of ASEAN.<sup>23</sup> On July 20, Defense Secretary Ben Wallace announced the UK would permanently deploy two offshore patrol vessels to the region as a demonstration of its Indo-Pacific engagement.<sup>24</sup> On September 15, the UK, U.S., and Australia announced the establishment of the Australia-UK-U.S. Security Partnership (AUKUS). The UK aimed to demonstrate its technological prowess and create jobs by helping Australia develop nuclear submarines. This also indicates its commitment to security and stability in the Indo-Pacific region.<sup>25</sup>

### 3. The EU's EU Strategy for Cooperation in the Indo-Pacific

The Council of the European Union adopted Council conclusions on EU Strategy for Cooperation in the Indo-Pacific on April 19, 2021, based on which the EU Commission proposed to the European Parliament and the Council on September 16 a Joint Communication. However, the focus of these two documents is somewhat different.<sup>26</sup> The former only mentions China in one place (i.e., the EU-China Comprehensive Agreement on Investment) and does not mention Taiwan, but focuses more on the political and security aspects. For example, it claims that geopolitical competition has increased tension in trade and supply chains as well

<sup>22</sup> "Japan-UK Foreign and Defence Ministerial Meeting 2021: Joint Statement," *GOV.UK*, February 3, 2021, <https://tinyurl.com/28extu44>.

<sup>23</sup> "Foreign Secretary Visits South East Asia to Usher in 'New Era' of UK-Indo Pacific Security Cooperation," *GOV.UK*, April 7, 2021, <https://tinyurl.com/ayvmf3tt>; "Foreign Secretary's Meeting With Chair of ASEAN, Brunei Foreign Minister II Dato Erywan, 5 May 2021," *GOV.UK*, May 5, 2021, <https://tinyurl.com/sm2fk97n>.

<sup>24</sup> "Britain to Permanently Deploy Two Warships in Asian Waters," *Reuters*, July 21, 2021, <https://tinyurl.com/9667krbm>.

<sup>25</sup> "Remarks by President Biden, Prime Minister Morrison of Australia, and Prime Minister Johnson of the United Kingdom Announcing the Creation of AUKUS," *The White House*, September 15, 2021, <https://tinyurl.com/24pf8ujt>; Alex Therrien, "Aukus: Truss Defends Security Deal Amid Criticism," *BBC News*, September 19, 2021, <https://tinyurl.com/4x86cm4m>.

<sup>26</sup> "Council Conclusions on EU Strategy for Cooperation in the Indo-Pacific," *European Council*, April 19, 2021, <https://tinyurl.com/wkyd2snb>; "Joint Communication to the European Parliament and the Council: The EU Strategy for Cooperation in the Indo Pacific," *European Commission*, September 16, 2021, <https://tinyurl.com/mdtsajd5>.

as the technological, political, and security spheres, while universal human rights are being challenged. This affects the EU's interest, and prompts it to act as a global actor and engage with the Indo-Pacific region, with the goal of sustaining the "rules-based international order" and constructing a level playing field and a favorable environment for the EU

In contrast, the Joint Communication covers a wide range of issues, including shared values and principles, open and fair trade, the U.N. Sustainable Development Goals (SDGs), climate change and biodiversity, multilateral and regional organizations, civil society, inclusive economic growth and connectivity, and demographic trends. However, this relatively downplays the priority of China and regional security issues. For example, while it is concerned about China's show of force and rising tensions in South China Sea, East Sea, and the Taiwan Strait, it does not propose concrete actions. Of its seven priority areas, security and defense are only the sixth.

In terms of engagement with the Indo-Pacific region, the EU has declared its intention to deepen relations with countries already having an Indo-Pacific policy or strategy and has emphasized the role of the ASEAN. To this end, the EU upgraded its bilateral relationship to a "strategic partnership" in December 2020, and Borrell visited Indonesia and ASEAN headquarters from June 1-4, 2021, to emphasize the link between the EU and ASEAN.<sup>27</sup> However, the EU's involvement in Indo-Pacific security remains to focus on softer maritime security issues and relies on the actions of its member states. Both documents state that the EU will assess the applicability of its Coordinated Maritime Presences concept to the Indo-Pacific region to highlight its presence. The concept works by member states voluntarily deploying their maritime and air assets in waters of interest to the EU.<sup>28</sup>

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<sup>27</sup> Josep Borrell, "EU, ASEAN Natural Partners With Common Agenda," *Jakarta Post*, June 13, 2021, <https://tinyurl.com/yf9jirwk>.

<sup>28</sup> "Factsheet: Coordinated Maritime Presences," *European External Action Service*, January 2021, <https://tinyurl.com/68y28wpv>.

#### 4. Other Countries' Actions

France launched its annual military exercise “Jeanne D’Arc 2021” (ARC21) on February 18, 2021, to implement the French Indo-Pacific strategy and enforce the UNSC sanctions on North Korea. France held its first amphibious exercise with India and its first joint army exercise with the U.S. and Japan in Kyushu, Japan.<sup>29</sup> On August 30, France and Australia established the “2+2 Ministerial Consultations” between the foreign and defense ministers from both sides, and their joint statement emphasized their concern for peace in the Taiwan Strait and their support for Taiwan.<sup>30</sup>

The Czech Republic, Slovakia, and Lithuania have defied Chinese pressure to strengthen their relations with Taiwan. Between June and July 2021, each country announced a donation of vaccines to Taiwan.<sup>31</sup> Diplomatically, Czech Senate President Miloš Vystrčil led a delegation to Taiwan in August and September 2020, and Lithuania agreed on July 20, 2021, for Taiwan to set up a representative office under the name “Taiwan.”<sup>32</sup> The Czech and Lithuanian moves led to strong protests and countermeasures from China and further internationalized the Taiwan issue.

<sup>29</sup> Xavier Vavasour, “French Amphibious Ready Group Set Sails for The Indo-Pacific,” *Naval News*, February 21, 2021, <https://tinyurl.com/3cs25h4v>.

<sup>30</sup> Inaugural Australia-France 2+2 Ministerial Consultations,” *Minister for Foreign Affairs*, France, August 30, 2021, <https://tinyurl.com/224s6f5s>.

<sup>31</sup> Ye Suping, “Czech’s Vaccine Presidential Office to Taiwan: True Friends in Adversity,” *China Central News Agency*, July 27, 2021, <https://tinyurl.com/5hx7njdk>; Wu Ruiqi, “Slovakia Donates 160,000 Doses to Taiwan AZ Vaccine Arrives for 2nd Dose Booklet Inoculation,” *Central News Agency*, September 26, 2021, <https://tinyurl.com/b3rfzps>; Ye Suping, “Czech’s Vaccine Presidential Office to Taiwan: True Friends in Adversity,” *China Central News Agency*, July 27, 2021, <https://tinyurl.com/5hx7njdk>; Wu Ruiqi, “Slovakia Donates 160,000 Doses to Taiwan AZ Vaccine Arrives for 2nd Dose Booklet Inoculation,” *Central News Agency*, September 26, 2021, <https://tinyurl.com/b3rfzps>; “20,000 Doses of Vaccines Donated by Lithuania are Scheduled to Arrive in Taiwan on July 31,” *China Central News Agency*, July 28, 2021, <https://tinyurl.com/ys8zbdjn>.

<sup>32</sup> “An Important Speech in support of Taiwan’s Anti-Wolf War from the Czech Republic to All European Countries,” *Central News Agency*, September 22, 2020, <https://tinyurl.com/kuam6rsb>; Zhong Youzhen, “Ministry of Foreign Affairs: Lithuania The Idea of Firmly Defending National Dignity and Freedom is Admirable,” *China Central News Agency*, August 10, 2021, <https://tinyurl.com/3xvckhux>.

## IV. Restrictions on Europe's Indo-Pacific Engagement

Europe has increased its interest in the Indo-Pacific region, but its actual influence may be limited.

First, geography makes Europe concerned with its own security more than that in the Indo-Pacific. Russia remains the primary security concern in Europe, and even if Britain, France, and Germany sent warships to patrol the Indo-Pacific region, these measures are likely to be more symbolic, sending the message that the international order is determined by countries collectively rather than by China alone.<sup>33</sup> As for the impact of the Australia-UK-U.S. Security Partnership on the UK's military deployment in the region, this remains to be seen. A more likely development would be for the UK to assume more responsibility for European security to strengthen its influence in the EU, while other EU countries would strengthen their security and defense in the quest for "strategic autonomy," thereby reducing their dependence on the U.S. and allowing more room for U.S. deployment in the Indo-Pacific.

Secondly, the primary way for Europe to exert influence in the Indo-Pacific region is to strengthen relations with regional countries and organizations, in particular the ASEAN. Given the geopolitical and economic importance of the ASEAN, this is a logical choice. However, as the ASEAN decision-making process emphasizes on consensus, it is not easy for it to develop a common position on political and security issues. China can also influence the ASEAN agenda through coopting some of its member states. Hence Europe's role in engaging with the ASEAN may be limited.

Finally, the EU and European countries all maintain a stance of competition while cooperation toward China. This stance presumes a dominant position on the part of Europe in the EU-China relationship. While this may satisfy their perceptions, it is questionable whether they have the capacity to do so. The different threat perceptions of China in Europe also affect collective actions.

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<sup>33</sup> Alex Wilson, "UK to Bolster its Indo-Pacific Presence With Offshore Patrol Vessels, Littoral Response Group," *Stars and Stripes*, July 21, 2021, <https://tinyurl.com/32hb35yy>.

## V. Conclusion

The relationship between Europe and China took a significant turn for the worse between 2020 and 2021, as Europe's growing discontent and suspicion of China strengthened its engagement with the Indo-Pacific region. The EU and European countries emphasized competition and cooperation with China, but competition seemed more predominant than cooperation. The "rules-based international order" has become the basis for their involvement in the Indo-Pacific region and has deepened their relations with regional countries and organizations. These claims and practices negate China's position that Xinjiang, Hong Kong, and Taiwan are internal issues, while the South China Sea territorial disputes are to be negotiated between China and any one of the disputants. In this regard, while Europe's impact on security and peace in the Indo-Pacific region is limited, and the military presence of the United Kingdom, France, and Germany in the region is primarily symbolic, their engagement with the Indo-Pacific remains meaningful.

The "internationalization" of Taiwan issues by the U.S. and Europe, as well as the Taiwan-friendly behavior of some EU countries, are all beneficial to Taiwan. Therefore, Taiwan should argue that the Taiwan Strait situation is a litmus test for the "rules-based international order." In practice, Taiwan should pay attention to possible programs of European security cooperation in the Indo-Pacific region, especially those seeking to maintain and promote maritime security.

## **PART TWO**

# **Responses and Actions of Major Nations in the Indo- Pacific Region**



# Chapter 6

## Security Developments and Actions in Japan

Yen-Hung Lin\*

### I. Introduction

The epidemic not only did not abate, but the variant of the virus also hit Japan hard, causing a record number of people to be infected in Japan just after hosting the summer Olympics and forcing the Suga cabinet to continue to extend the deadline of the Declaration of State of Emergency. The epidemic has once again plunged Japan into a paroxysmal quagmire.

On January 20, Joe Biden and Kamala Devi Harris were inaugurated as the 46th president and vice president of the U.S. On January 28, Japanese Prime Minister Suga Yoshihide congratulated Biden on his inauguration by telephone, in which the two sides agreed to strengthen U.S.-Japan alliance cooperation through close communication further. President Biden expressed his firm commitment to Japan's defense, including applying Article 5 of the Treaty of Mutual Cooperation and Security between the United States and Japan to the Senkaku Islands (also known as the Diaoyutai Islands) and reaffirmed the U.S. determination to provide broader support to Japan. In addition, the two sides recognized the need to strengthen the importance of the U.S. in the Indo-Pacific region and to implement a "Free and Open Indo-Pacific" strategy, in which the U.S. and Japan would cooperate on all fronts in the region.<sup>1</sup>

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<sup>1</sup> “日米首脳電話会談,” *Ministry of Foreign Affairs of Japan*, January 18, 2021, [https://www.mofa.go.jp/mofaj/na/na1/us/page1\\_000925.html](https://www.mofa.go.jp/mofaj/na/na1/us/page1_000925.html).

On February 1, China implemented the Maritime Police Law, and harassment of Japanese territorial waters has become normalized. China's maritime police's increased strength has placed a severe burden on Japan's maritime security. In response to the "visible" and "invisible" security threats and to strengthen the defense of the Southwest Islands, Japan's defense budget for the fiscal year 2022 is set at a record high of 5 trillion 400 billion yen (about \$49 billion). Japan's defense budget is expected to exceed the long-standing threshold of 1% of gross domestic product (GDP).<sup>2</sup> Therefore, Japan's overall preparedness for war is evident.

This chapter will discuss how U.S. President Biden and Japan will cooperate on security under the Indo-Pacific Strategy in 2021, how the Sino-Japanese relationship will evolve under the U.S.-China all-out confrontation, and whether there will be a new atmosphere in Taiwan-Japan relations.

## II. Reaffirmation of U.S.-Japan Relations

On March 16, 2021, the U.S. and Japan hosted foreign and defense ministers (also known as the "2+2 talks") in Tokyo. The joint statement following the meeting stated that "China's threatening and destabilizing behavior in the Indo-Pacific region is incompatible with the existing international order and poses political, economic, military, and technological challenges to the U.S.-Japan alliance and the international community. The U.S. and Japan expressed deep concern over the passage of China's maritime police law, which would allow for the use of force. In the joint statement following the meeting, the U.S. and Japan made a rare reference to "the importance of peace and stability in the Taiwan Strait" and asked China not to act rashly. The U.S. and Japan have reached a consensus on the peaceful resolution of regional disputes and advocate maintaining a "free and open Indo-Pacific" strategy. Secretary of State Antony Blinken has said that if China uses intimidation and aggression to achieve its goals, we will strike

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<sup>2</sup> "防衛費要求、過去最大規模の5兆4000億円台に… 中国念頭に装備強化," *The Japan News Online* (読売新聞オンライン), August 19, 2021, <https://www.yomiuri.co.jp/politics/20210819-OYT1T50281/>.

back if necessary.<sup>3</sup> The U.S.-Japan alliance against China is quite clear.

### 1. The Rock-solid U.S.-Japan Alliance

On April 16, Japanese Prime Minister Suga Yoshihide traveled to Washington, D.C., to meet with U.S. President Joe Biden. The first Japanese Prime Minister to be invited to visit the United States since Biden's inauguration as Prime Minister Kan represents the high importance the United States attaches to Japan.<sup>4</sup> In the face of China's military and economic expansion in the region, the United States will continue to strengthen its security configurations in the Indo-Pacific region, and the United States believes that the most critical response to the Chinese challenge is to strengthen the U.S.-Japan relationship and expand the scope of cooperation, with the U.S.-Japan alliance as the core mechanism. The U.S.-Japan summit, like the March 16 "2+2 talks," was followed by a joint statement that included a reference to Taiwan. This is the first time since 1969 that the joint statement of the U.S.-Japanese heads of state meeting has again focused on Taiwan, demonstrating the importance of Taiwan's strategic position and security in the Taiwan Strait.

Unlike the unilateralism adopted during the Trump era, Biden has actively returned to international organizations to form a perimeter around China through alliances or coalitions, making Japan, Vietnam, and Australia enemies of China and allies of the United States.<sup>5</sup> However, given the long-term confrontation between the United States and China, the Biden regime believes that Japan will be the essential partner to win. From a geopolitical perspective, Japan is not adjacent to China, is in a vital position to block China's access to the first island chain, and is at a distance from China to monitor China from the Pacific.<sup>6</sup> It is also essential for the United States to share important values with Japan. The joint statement

<sup>3</sup> “日米安全保障協議委員会（日米 2+2）（結果）,” *Ministry of Foreign Affairs of Japan*, March 16, 2021, [https://www.mofa.go.jp/mofaj/na/st/page1\\_000942.html](https://www.mofa.go.jp/mofaj/na/st/page1_000942.html).

<sup>4</sup> “菅内閣総理大臣の米国訪問（令和 3 年 4 月 15 日～18 日）,” *Ministry of Foreign Affairs of Japan*, April 16, 2021, [https://www.mofa.go.jp/mofaj/na/na1/us/page4\\_005298.html](https://www.mofa.go.jp/mofaj/na/na1/us/page4_005298.html).

<sup>5</sup> “Taiwan's Former Foreign Minister Tian Hongmao Mentioned at the Japan-US Summit: on Behalf of the US Attaching Great Importance to the Asia-Pacific Region,” *CNEWS*, April 19, 2021, <https://cnews.com.tw/202210419a01/>.

<sup>6</sup> “日米首脳会談の戦略的意義—今後の課題は対中経済安全保障協力,” *Sasakawa Peace Foundation*（笹川平和財団）, April 4, 2021, [https://www.spf.org/iina/articles/watanabe\\_14.html](https://www.spf.org/iina/articles/watanabe_14.html).

of the U.S.-Japanese heads of state talks listed the sharing of universal values such as freedom, democracy, human rights, the rule of law, international law, multilateralism, and a free and fair economic order.<sup>7</sup> Thus, Japan, a longtime U.S. ally, is undoubtedly expected to be a frontline country in the U.S. fight against China. Japanese domestic public opinion also supports the need to strengthen Japan-U.S. relations. According to a poll conducted by Japanese television station NHK, 70% of the respondents answered “yes” to the question “should the U.S.-Japan alliance be further strengthened as the U.S.-China conflict deepens.”<sup>8</sup>

In a joint statement following the U.S.-Japan summit, the two sides agreed to work together to improve economic competitiveness by activating a “U.S.-Japan partnership on competitiveness and resilience (CoRe: Competitiveness and Resilience),” such as a commitment to security and openness for 5<sup>th</sup> generation wireless networks (5G) and an agreement to cooperate on sensitive supply chains, including semiconductors.<sup>9</sup> In other words, another purpose of U.S.-Japan cooperation is to contain China’s expansion on various fronts through the U.S.-Japan economic security cooperation model.

## 2. The U.S. and Japan to Strengthen Military Cooperation with Regional Countries

In addition, in the face of the threat from China, Japan has been actively adjusting its strategy, and the U.S. and other countries in the Indo-Pacific region have conducted several military exercises to keep China in check. For example, (1) from April 5 to 7, the U.S., Japan, India, Australia, and France conducted the La Perouse joint naval exercise in the Bay of Bengal;<sup>10</sup> (2) from May 11 to 17, the U.S., Japan, Australia, and France held the Jeanne D’Arc 2021 (ARC21) military

<sup>7</sup> “日米首脳会談,” *Ministry of Foreign Affairs of Japan*, April 16, 2021, [https://www.mofa.go.jp/mofaj/na/na1/us/page1\\_000951.html](https://www.mofa.go.jp/mofaj/na/na1/us/page1_000951.html).

<sup>8</sup> “日米同盟「さらに強化していくべき」7割 NHK 世論調査,” *NHK*, April 13, 2021, <https://www3.nhk.or.jp/news/html/20210413/k10012969861000.html>.

<sup>9</sup> “U.S.-Japan Competitiveness and Resilience (CoRe) Partnership,” *Ministry of Foreign Affairs of Japan*, April 16, 2021, <https://www.mofa.go.jp/mofaj/files/100177722.pdf>.

<sup>10</sup> “[Anti-China Together] US-Japan-India-Australia-French 3-day Naval Exercise Launches ‘Laperuz Cruiser’ into Bay of Bengal,” *The Report*, April 6, 2021, [https://www.upmedia.mg/news\\_info.php?SerialNo=110181](https://www.upmedia.mg/news_info.php?SerialNo=110181).

exercise in southwestern Japan;<sup>11</sup> (3) The Orient Shield military exercise held from June 24 to July 11, in which the U.S. and Japan together sent more than 3,000 personnel to participate, the largest ever. The purpose of the exercise was not only to verify Japan's ongoing efforts to promote "cross-domain warfare," but also, and most importantly, to demonstrate the U.S. and Japan's joint response capability, coordination, and interoperability in the face of Chinese threats;<sup>12</sup> (4) The U.S. and Australia held their biennial Talisman Sabre 21 military exercise in Australia and surrounding waters from July 14 to 31.<sup>13</sup>

### III. Disagreements between China and Japan

After China's Maritime Police Law came into effect on February 1, it posed a more serious security threat to Japan and raised tensions around the disputed Diaoyutai Islands. As a result, the Japanese domestic anti-China sentiment has risen, and Sino-Japanese relations face a severe test.

#### 1. The Threat of Chinese Maritime Police to Japan

According to Article 22 of the Maritime Police Law, when China's rights at sea are "violated by foreign organizations and individuals or in imminent danger of being violated, Chinese maritime police agencies are authorized to use weapons."<sup>14</sup> The vague definition of the scope of application of this law has caused concern among countries with which China has territorial disputes, such as Japan, Vietnam, the Philippines, and Indonesia. According to information released by the Japan Coast Guard, Chinese maritime police vessels entered the vicinity of the Diaoyu Islands on 471 days from November 2020 to August 2021, amounting to 1,009

<sup>11</sup> "日米豪仏共同訓練（ARC21）について," *Japan Maritime Self-Defense Force*, May 11, 2021, <https://www.mod.go.jp/msdf/release/202105/20210511.pdf>.

<sup>12</sup> "岸防衛相 過去最大級の日米実動訓練を実施へ 日米同盟の強化に," *NHK*, June 22, 2021, <https://www3.nhk.or.jp/news/html/20210622/k10013097421000.html>.

<sup>13</sup> "Talisman Sabre 21," *Australian Government Department of Defense*, <https://www1.defence.gov.au/exercises/talisman-sabre-21>.

<sup>14</sup> "Coastal Law of the People's Republic of China," *China Coast Guard*, January 24, 2021, [http://www.ccg.gov.cn/2021/zcfg\\_0124/295.html](http://www.ccg.gov.cn/2021/zcfg_0124/295.html).

vessels. The number of days of entry into the territorial waters near the Diaoyutai Islands was 39, with 102 vessels. China’s provocative behavior toward Japan continues unabated (see Table 6-1).

Table 6-1 Chinese Coast Guard Vessels Cruising in Diaoyutai Waters (November 2020 to August 2021)

	Adjacent Area	Waters
Time	Times(Vessels)	Times(Vessels)
November 2020	30 (88)	2 (6)
December 2020	22 (70)	3 (8)
January 2021	25 (92)	3 (6)
February 2021	26 (96)	6 (14)
March 2021	31 (112)	2 (6)
April 2021	30 (106)	4 (10)
May 2021	31 (118)	5 (14)
June 2021	30 (118)	6 (16)
July 2021	23 (92)	4 (10)
August 2021	29 (117)	4 (12)

Source: “Trends of Chinese Public Vessels in the Waters around the Senkaku Islands and Japan’s Response,” Japanese Coast Guard, <https://www.kaiho.mlit.go.jp/mission/senkaku/senkaku.html>.

## 2. China-Japan Relations are not Easy to Repair

On April 5, 2021, Japanese Foreign Minister Motegi Toshimitsu held a telephone conversation with Chinese Foreign Minister Wang Yi.<sup>15</sup> The interactive atmosphere of this meeting differed from November 24, 2020, meeting between the Chinese and Japanese foreign ministers in Tokyo. At that time, Wang invited Toshimitsu to visit China in 2021, and China and Japan sought to find the right time for Xi Jinping, who was unable to visit Japan as a state guest due to the delay. China and Japan hope to create a harmonious atmosphere because 2022 will be an essential

<sup>15</sup> “日中外相電話会談,” *Ministry of Foreign Affairs of Japan*, April 5, 2021, [https://www.mofa.go.jp/mofaj/press/release/press6\\_000787.html](https://www.mofa.go.jp/mofaj/press/release/press6_000787.html).

festival marking the 50<sup>th</sup> anniversary of normal relations between China and Japan.<sup>16</sup> However, during the telephone conversation, Shigeki not only mentioned the Diaoyutai dispute and the South China Sea but also expressed “strong concern” about human rights in Xinjiang and Hong Kong, and expressed deep concern about hegemonic actions such as the Marine Police Act, which allows the Marine Police Bureau to use force, and strongly demanded that China take concrete action to improve the situation. Wang Yi warned Japan to “refrain from interfering in China’s affairs and asked Japan to abide by the basic norms of international relations, to maintain a minimum level of respect for China’s internal affairs as a close neighbor, and not to extend its hand too far.”<sup>17</sup> Japan’s attitude toward China changed dramatically after Hampson and Biden came to power, and Biden’s April 16 U.S.-Japan summit placed great emphasis on the U.S.-Japan alliance, restoring Japan’s confidence in the United States and making Japan’s attitude toward China more assertive.<sup>18</sup>

In June 2021, an NHK poll of 2,131 people over the age of 18 asked, among other things, “To what extent does China’s increasing military power and expansion in the East China Sea and the South China Sea pose a security threat? Fifty-one percent answered “to a considerable extent,” 29% answered “to an average extent,” and 10% answered, “not at all.” About 80% of Japanese people answered the first two questions and felt China’s military threat.<sup>19</sup> Another poll conducted by the Japanese Cabinet Office shows that 81.8% of Japanese people think “Sino-Japanese relations are not good,” and 77.3% of Japanese people do not feel “close to China.”<sup>20</sup> The deterioration of Japanese people’s perceptions and

<sup>16</sup> “中国、茂木外相に訪中要請,” *Reuters*, December 13, 2020, <https://jp.reuters.com/article/idJP2020121201002421>.

<sup>17</sup> “Wang Yi’s telephone conversation with Japanese Foreign Minister Toshimitsu Motegi,” *Ministry of Foreign Affairs of the People’s Republic of China*, April 5, 2021, <https://www.fmprc.gov.cn/web/wjzbzhd/t1866937.shtml>.

<sup>18</sup> “The Deterioration of Sino-US Relations: Japan’s Strategic Choice,” *Yahoo! News*, July 21, 2021, <https://tw.news.yahoo.com/Deteriorating-U.S.-China-Relations-Japan's-Strategic-Choice-230038713.html>.

<sup>19</sup> “中国の安全保障面の脅威 8割が「感じる」 NHK 世論調査,” *NHK*, June 15, 2021, <https://www3.nhk.or.jp/news/html/20210615/k10013083981000.html>.

<sup>20</sup> “「外交に関する世論調査」の概要,” Cabinet Office of Japan, February 19, 2021, <https://survey.gov-online.go.jp/r02/r02-gaiko/gairyaku.pdf>.

feelings toward China has caused Sino-Japanese relations to lose public support in Japan, and it is expected to be difficult to It is expected that the relationship will not move forward steadily.

With the U.S.-China confrontation, Japan will find be increasingly challenging to choose between the U.S. and China. In terms of security, Japan will use the U.S.-Japan alliance as the basis of its diplomacy and combine it with the Indo-Pacific strategy to form an encircling net for China. Economically, China and Japan will maintain a high degree of interdependence. The International Monetary Fund (IMF) predicts that China's economy will grow by 8.1 percent in 2021, even though the epidemic has hit the world hard.<sup>21</sup> As Japan's largest trading partner, China's economic growth could help Japan recover from the epidemic. However, the U.S. wants its allies to be consistent in their security strategies toward China, especially in their economic supply chains, so if Japan wants to sever its ties with its largest trading partner, China, it will undoubtedly have difficulty gaining the support of Japan's domestic economic groups. Therefore, it will be a challenge and test Japan's wisdom to create maximum benefits between the U.S. and China.

#### **IV. A Renewed Climate for Taiwan-Japan Relations**

During the "U.S.-Japan 2+2 Talks" in March, the "U.S.-Japan Summit" in April, the "Japan-EU Meeting" in May, the "Japan-Australia 2+2 Meeting" in June, the "Joint Statement of the Organization of Seven Major Industrialized Countries" and the "Joint Statement of the Vice Foreign Ministers of the United States, Japan, and South Korea" in July, Taiwan Strait security became a topic of discussion among various countries and instantly became a global study. During this period, Japanese Prime Minister Yoshihide Kan, Deputy Prime Minister Taro Aso, Defense Minister Nobuo Kishi, and Deputy Defense Minister Nakayama Yasuhide frequently spoke about security in the Taiwan Strait.

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<sup>21</sup> "World Economic Outlook Update," *IMF*, July 2021, <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>.

## 1. Japan's Strategy towards Taiwan has Become More Explicit

The reason why Japan has made such a significant change in its strategy toward Taiwan is undoubtedly to restrain China from invading Taiwan by force and China's recent military and economic pressure on Taiwan, which has caused significant instability in regional security. However, one of the most important reasons is to complement the U.S. Indo-Pacific strategy. In a question before the U.S. Senate Armed Services Committee, Admiral Philip Davidson, former commander of the U.S. Indo-Pacific Command, stated that "China is the most significant strategic threat to the United States today and is accelerating the replacement of the U.S. in the international arena, and Taiwan is one of China's targets. Moreover, the threat of a PLA attack on Taiwan is likely to occur within the next six years."<sup>22</sup> If Taiwan were to be invaded by China by force, the United States might be forced to intervene. Because of the U.S.-Japan alliance, Japan will not be able to stay away and will be involved. If the U.S. does not intervene in the Taiwan Strait and Taiwan is seized by China, Japan will also be surrounded by China. In other words, Japan wants to maintain peace and stability in the Taiwan Strait to ensure its interests.

In 2021, Japan's policy toward Taiwan will take on a new dimension different from the past. For example, in February, the LDP Foreign Affairs Group established the "Taiwan Policy Review Task Force" and made its first policy recommendations to Prime Minister Kan on June 1. The group emphasized that Taiwan shares universal values of freedom, democracy, the rule of law, and fundamental human rights for Japan. Taiwan is a significant partner for Japan because of the close economic cooperation and people-to-people exchanges between Taiwan and Japan.<sup>23</sup> In mid-May, the epidemic in Taiwan was so severe that the national epidemic was raised to alert level 3. On June 4, Japan provided Taiwan with 1.24 million AstraZeneca (AZ) vaccine doses at no cost, based on

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<sup>22</sup> "Davidson: China Could Try to Take Control of Taiwan In 'Next Six Years'," *USNI News*, March 9, 2021, <https://news.usni.org/2021/03/09/davidson-china-could-try-to-take-control-of-taiwan-in-next-six-years>.

<sup>23</sup> "外交部会台湾政策検討プロジェクトチーム 第一次提言," *Liberal Democratic Party of Japan*, June 1, 2021, [https://jimin.jp-east-2.storage.api.nifcloud.com/pdf/news/policy/201712\\_1.pdf](https://jimin.jp-east-2.storage.api.nifcloud.com/pdf/news/policy/201712_1.pdf).

Taiwan's long-standing friendship. In return for Taiwan's assistance on March 11, 2011, East Japan Earthquake.<sup>24</sup> At a time when vaccines, considered a strategic commodity, are challenging to obtain around the world, Japan's emergency gift of a large amount of vaccine to Taiwan was a timely rainfall, allowing Taiwan to solve the vaccine shortage problem temporarily. This is also the first time Japan has provided vaccines to overseas countries. So far, Japan has provided 3.9 million doses of AZ vaccine to Taiwan five times.<sup>25</sup> On June 11, the Japanese Senate voted unanimously for the World Health Organization (WHO) Resolution on Taiwan, calling on countries to agree to Taiwan's participation in the World Health Assembly (WHA) from 2022 onward and to provide the vaccine to the World Health Organization (WHO). The Japanese Senate voted for the "World Health Organization (WHO) Resolution on Taiwan," calling on countries to agree to Taiwan's participation in the World Health Assembly (WHA) from 2022, and requesting the Japanese government to cooperate with countries to ensure Taiwan's participation in the WHA.<sup>26</sup>

## 2. Taiwan-Japan Cooperation will Move into New Territory

On July 13, Japan released the 2021 version of its defense white paper, which for the first time states that stability in Taiwan is essential to Japan's security and the international community.<sup>27</sup> On July 29, an online meeting of the Taiwan-U.S.-Japan Parliamentarians' Strategic Forum was held, and former Japanese Prime Minister Shinzo Abe delivered a speech to open the forum. Abe said, "There is no guarantee that what happened in Hong Kong will not happen in Taiwan, and we attach great importance to Taiwan and hope that Taiwan will participate in the

<sup>24</sup> "台湾に対する新型コロナウイルス・ワクチンの追加供与," *Ministry of Foreign Affairs of Japan*, June 6, 2021, [https://www.mofa.go.jp/mofaj/press/release/press3\\_000518.html](https://www.mofa.go.jp/mofaj/press/release/press3_000518.html).

<sup>25</sup> "日本が台湾へ5回目のワクチン供与決定、今回は50万回分," *TAIWAN TODAY*, September 15, 2021, <https://jp.taiwantoday.tw/news.php?unit=149&post=207721&unitname=ニュース-政治&postname=日本が台湾へ5回目のワクチン供与決定、今回は50万回分>.

<sup>26</sup> "世界保健機関(WHO)の台湾への対応に関する決議," *House of Councillors, The National Diet of Japan*, June 11, 2021, <https://www.sangiin.go.jp/japanese/gianjoho/ketsugi/204/210611-1.html>; "WHO総会への台湾参加認めるよう求める決議可決参議院," *NHK*, June 11, 2021, <https://www3.nhk.or.jp/news/html/20210611/k10013079521000.html>.

<sup>27</sup> 日本防衛省・自衛隊, *日本の防衛—防衛白書—令和3年版* (日経印刷株式会社, 2021) p. 52。

World Health Assembly, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the World Health Organization.”<sup>28</sup> On August 27, Taiwan and Japan’s ruling parties held their first “Foreign Defense Policy Exchange Meeting” by video message. Taiwan was represented by DPP legislator Luo Chi-ching and legislator Tsai Shih Ying, while Japan was represented by LDP Senator Masahisa Sato and Representative Taku Otsuka. The first security dialogue between Taiwan and Japan was of great significance. The two sides mentioned during the meeting that China’s unilateral changes to the regional status quo have caused anxiety among countries and that it is necessary to have a continuous security dialogue during the daytime in Taiwan. The change in Japan’s attitude toward Taiwan is a sign of Japan’s growing sense of crisis on the Taiwan issue.<sup>29</sup>

Japan’s executive and legislative branches have repeatedly and firmly supported Taiwan’s participation in international affairs, indicating that the Japanese government is taking Taiwan much more seriously than it did in the past.

## V. Conclusion

After President Biden took office, he appointed Kurt Campbell, who has a strong attitude toward China, as the Coordinator for the Indo-Pacific, arguing that the era of engagement with China is over and that the U.S. should strengthen relations with existing allies and draw closer to countries such as India and Indonesia in response to the rise of China. However, Washington sources also believe that China can no longer hide its authoritarian ambitions and realize that appeasement will allow China to advance further.

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<sup>28</sup> “Mysterious guest Abe at Taiwan-US-Japan Congressional Forum participates in WHA and CPTPP,” *Central News Agency*, July 29, 2021, <https://www.cna.com.tw/news/firstnews/202107290026.aspx>.

<sup>29</sup> “Taiwan and Japan’s Ruling Party Talks with Japan: China Threats Taiwan Strait and Japan’s Security Strengthens Exchanges with Taiwan,” *Liberty Times*, August 27, 2021, <https://news.ltn.com.tw/news/politics/breakingnews/3652143>. Commissioner Luo Zhizheng is the current Director of the International Department of the DPP and a member of the Foreign Affairs and Defense Committee of the Legislative Yuan. Sato Masahisa is the current Minister of Foreign Affairs of the Liberal Democratic Party of Japan and a member of the Senate, and Takuma Otsuka is the current Minister of Defense of the Liberal Democratic Party of Japan and a member of the House of Representatives.

On the Taiwan Strait issue, Japan, with the explicit support of the U.S. on security, has broken with its past cautiousness and has been trying to test China's bottom line. For Japan, a war in the Taiwan Strait would directly affect the survival of the Japanese nation and meet the conditions for the Self-Defense Forces to send troops. Therefore, with the acquiescence of the United States, Japan has been adjusting its strategy to counteract China and gradually increasing its defense budget and military readiness.

However, Japan's attitude toward Taiwan is different from that of the past, and the Taiwan Strait issue is also receiving attention from the Japanese. There seems to be an opportunity for Taiwan and Japan to cooperate in certain areas. For example, Taiwan and Japan can follow the Taiwan-U.S. model of cooperation in maritime patrol by signing the Taiwan-Japan Maritime Patrol Memorandum of Understanding (MOU) to jointly maintain the security of Taiwan and Japan's surrounding waters and Taiwan-U.S. and Japan's maritime patrols can also conduct joint training. Furthermore, Taiwan and Japan can cooperate with third countries; for example, Taiwan and Japan can provide public medical and economic assistance to South Pacific island countries. Japan is already planning to establish an embassy in Kiribati within a few years to counter China's growing influence in the South Pacific.

The international situation is changing, and the situation seems to be shaping up to support Taiwan and resist China. In particular, Taiwan's role in the Indo-Pacific strategy will become increasingly important. Not only do most liberal democracies support Taiwan, but even European countries have changed their attitude toward Taiwan. In the face of a robust Chinese threat, Taiwan cannot choose sides but actively engage in multi-disciplinary cooperation with neighboring countries.

# Chapter 7

## The Southeast Asian Dimension of Japan's Indo-Pacific Strategy

Tsun-Yen Wang\*

### I. Introduction

Whether as a member of the Quadrilateral Security Dialogue (QUAD) or as one of the world's first significant countries to demonstrate the importance of the Indo-Pacific region and develop an Indo-Pacific Strategy, Japan's role in Indo-Pacific regional security affairs has become increasingly important. Japan has long adhered to the principle of "exclusive defense," focusing on its military security to avoid raising suspicions of a resurgence of militarism in neighboring countries and to focus on economic development. However, as Japan rose to become an economic power and faced dramatic changes in the international situation, such as the end of the Cold War in the late 1980s, the turmoil in the Middle East in the early 1990s, and the sudden rise of tensions in the Taiwan Strait in the latter part of the same decade, Japan adjusted its foreign policy to ensure its national security and maintain stability in its neighborhood.

Southeast Asia has always been of great importance to Japan's national security. During the Meiji period, Japan regarded it as a "line of interest" for its national interests and put forward the "Southward Expansion Theory" to enter Southeast Asia. After World War II, the Japanese government revealed the Fukuda Doctrine in 1977 to return to Southeast Asia, which had been invaded by Japan, as a gesture of peace and equality. In the 21<sup>st</sup> century, the Abe administration proposed the Abe

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Doctrine, which re-emphasized Japan's importance to Southeast Asia and made it Japan's new diplomatic policy. In particular, the Abe government proposed its Free and Open Indo-Pacific concept in 2016, with Southeast Asia as a target region for its realization.

Taiwan is geographically linked to Japan in the north and Southeast Asia in the south and its northern and southern neighbors naturally constitute Taiwan's external security environment. The DPP government has formulated the "New Southward Policy", which covers a vast geographical area from South Asia in the West to Oceania in the East, and Southeast Asia is located at the center of this area. This article aims to observe the critical developments in Japan's relations with Southeast Asia over the past year that have security implications and analyze their strategic implications and implications for Taiwan.

## **II. Major Challenges for Southeast Asian Countries over the Past Year**

In the past year, Southeast Asia's internal and external security environment has been unstable, with the new pneumonia epidemic still raging in all Southeast Asian countries and threatening health and safety. At the same time, China's threatening show of force in the South China Sea has also posed a gray zone threat to the countries concerned. At the same time, the charm offensive of "vaccine diplomacy" and the "Belt and Road" projects, in contrasts to the face of hegemony, have brought a different kind of negative impact on Southeast Asian countries that cannot be underestimated.

### **1. COVID-19 and China's "Vaccine Diplomacy"**

Since the global outbreak of COVID-19, Southeast Asia has been one of the most severe hotspots of the global epidemic. Half of the countries in Southeast Asia still have vaccination rates below 50% due to the lack of vaccines. As of September 30, 2021, the highest rates were 79.6% in Singapore, 78.32% in Cambodia, 71.84%

in Malaysia, 64.77% in Brunei, 42.18% in Thailand, 37.93% in Laos, 32.96% in Indonesia, 32.77% in Vietnam, and 22.69% in the Philippines.<sup>1</sup>

In this context, China has vigorously promoted its “vaccine diplomacy” in Southeast Asia, with Xi Jinping declaring that he would provide 2 billion doses of vaccines to the world this year and that all Southeast Asian countries have received vaccines from China. The statistics above also show that Cambodia, which has a good relationship with China and has received vaccines from China, has a relatively high vaccination rate. Nevertheless, while China’s “vaccine diplomacy” may be going smoothly, its results are not as good. For example, according to news reports, at least 20 doctors and 10 nurses died in Indonesia between February and June after receiving the Chinese Kexin vaccine.<sup>2</sup> Similar cases have been reported in such other countries in the region as Thailand, with the effectiveness of the Chinese vaccine is gradually being questioned.

## 2. China's Maritime Threat

Following the building of islands in the South China Sea, China has further built military bases on the islands and reefs, creating military pressure on the countries involved. For example, according to a report released in February 2021 by Similarity, a U.S. satellite imagery analysis firm, China has been building military facilities on Mischief Reef, an island claimed by the Philippines but seized by China, since last year.<sup>3</sup>

In addition, China has continued to create gray-zone conflicts with countries in the South China Sea. For example, on March 7, 2021, approximately 220 fishing boats suspected to be carrying Chinese militia converged on the waters around Whitsun Reef in the Philippines, citing “concerns about sea conditions,” leading to

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<sup>1</sup> Our World in Data, <https://ourworldindata.org/covid-vaccinations>.

<sup>2</sup> Raja Ibn Lombarro, Rebecca Henschke, “Coronavirus Vaccine: Dozens of Doctors Still Die after Injection, Indonesia Calls for Third dose of Sinovac Boosted Version,” *BBS Chinese*, July 7, 2021, <https://www.bbc.com/zhongwen/trad/world-57731574>.

<sup>3</sup> As ruled by the International Court of Arbitration in 2016, Mischief Reef cannot generate territorial sea, exclusive economic zone or continental shelf. “Satellite Image ‘Shows New changes in Mischief Reef’ China Accused of Advancing ‘Complete Military Base’,” *BBC Chinese*, February 25 2021, <https://www.bbc.com/zhongwen/trad/chinese-news-56198339>.

fears in the Philippines a repeat of the capture of Meiji Reef.<sup>4</sup> In addition, on June 1, 2021, the Malaysian government issued a statement alleging that 16 Chinese military transport aircraft had violated Malaysian airspace on May 31, and the Malaysian air force was forced to take off in response.<sup>5</sup>

### 3. China's "One Belt, One Road" Brings Hidden Concerns

Over the past year, China has continued to promote the "Belt and Road" project in Southeast Asia. However, as has been seen in many countries so far, the project has brought the risk of debt traps, environmental damage, and disregard for human rights in the countries along the route.

Radio Free Asia reported on March 16, 2021, that the massive infrastructure investment under China's Belt and Road project has resulted in huge debt for the Laotian government.<sup>6</sup> The NGO Human Rights Watch reported on August 10, 2021, that the construction of the Lower Sesan 2 Dam, one of China's Belt and Road projects in Cambodia, has displaced Cambodians living around the dam and affected the livelihoods of residents upstream and downstream of the dam.<sup>7</sup>

<sup>4</sup> The Philippines calls Whitson Reef Julian · Felipe Reef (Julian Felipe Reef), China is called Oxbow Reef. This is not the first time that a large number of Chinese fishing boats have stayed in the waters. In 2020, 100 Chinese vessels have also stopped in the waters. "Chinese Ships Assemble Oxbow Reef, Former Philippine Justice Suspected as Prelude to Occupation," *Central News Agency*, March 25, 2021, <https://www.cna.com.tw/news/aopl/202103240395.aspx>.

<sup>5</sup> "Malaysian-controlled 16 Military Aircraft Invaded Airspace, will Summon Chinese Ambassador to Explain," *Central News Agency*, June 2, 2021, <https://www.cna.com.tw/news/firstnews/202106020006.aspx>. In response to the incident, a spokesperson for the Chinese Ministry of Foreign Affairs refuted on June 2 that the Chinese Air Force should conduct "routine training" and "did not enter the airspace of other countries." "Ministry of Foreign Affairs Spokesperson Wang Wenbin hosted a regular press conference on June 2, 2021," *Ministry of Foreign Affairs of the People's Republic of China*, June 2, 2021, [fmprc.gov.cn/web/fyrbt\\_673021/t1880857.shtml](http://fmprc.gov.cn/web/fyrbt_673021/t1880857.shtml).

<sup>6</sup> "Laos Grants 25-Year Concession to Chinese Company to Manage Power Grid," *Radio Free Asia*, March 16, 2021, <https://www.rfa.org/english/news/laos/grid-03162021152622.html>.

<sup>7</sup> "Human Rights Watch: Belt and Road Dams Destroy Tens of Thousands Livelihoods in Cambodia," *China Central Radio*, August 10, 2021, <https://www.rti.org.tw/news/view/id/2108105>; "Underwater: Human Rights Impacts of a China Belt and Road Project in Cambodia," *Human Rights Watch*, August 10, 2021, <https://www.hrw.org/report/2021/08/10/underwater/human-rights-impacts-china-belt-and-road-project-cambodia>.

### III. Participation and Influencing Factors of Southeast Asia's Foreign Security and Strategy in Japan

Japanese official documents can explain the Japanese government's policy orientation towards Southeast Asia. The annual "Defense White Paper" published by the Ministry of Defense emphasizes the importance of Southeast Asia to Japan every year, calling it "a transportation hub linking the Pacific Ocean and the Indian Ocean. Our country, which relies heavily on sea transportation for economic activities and national living materials, is an important area."<sup>8</sup>

On November 16, 2016, at the Defense Ministers Meeting of the Association of Southeast Asian Nations (ASEAN) held in Vientiane, the capital of Laos, Japanese Defense Minister Tomomi Inada proposed the "Vientiane Vision" initiative. It was announced that Japan would strengthen security cooperation with ASEAN.<sup>9</sup> Later, the two sides reached the "Vientiane Vision 2.0" initiative in 2019, emphasizing the pursuit of the "Free and Open Indo-Pacific" concept and the Southeast Asian version of the Indo-Pacific strategy "ASEAN Outlook on the Indo-Pacific" (AOIP) and promoting relations with Southeast Asia under the concept of "Free and Open Indo-Pacific." After Suga Yoshihide took over the leadership of Shinzo Abe in 2020, he continued to promote security relations with Southeast Asia under the concept of "Free and Open Indo-Pacific." After taking office as prime minister, he chose Southeast Asian countries Vietnam and Indonesia for his first visit, demonstrating the importance attached to Southeast Asia with practical actions.

### IV. Japan Expands Support to Southeast Asian Countries

Specifically, facing the impact of the pneumonia epidemic in Southeast Asian countries, the security threat from China, and the political and economic quagmire

<sup>8</sup> 防衛白書（令和3年版）第I部第7節, *Japanese Ministry of Defense*, <https://www.mod.go.jp/j/publication/wp/wp2021/pdf/R03010207.pdf>.

<sup>9</sup> "ビエンチャン・ビジョン～日ASEAN防衛協力イニシアティブ～," *Japan Ministry of Defense*, <https://www.mod.go.jp/j/approach/exchange/dialogue/j-asean/vientianevision/index.html>.

derived from the Belt and Road Initiative, Japan mainly adopts the following support measures.

### **1. Japan joins the Ranks of Providing Vaccines in Southeast Asia**

Although Japan's domestic epidemic prevention and control results are not satisfactory,<sup>10</sup> compared with Southeast Asian countries, it is still ahead, and there is still room for support. In addition, China's vaccine diplomacy in Southeast Asia is quite active, so since the global outbreak of COVID-19, Japan, which has a bad relationship with China, has also launched epidemic prevention support to Southeast Asia. For example, the Japan International Cooperation Agency (JICA), a government-affiliated organization, has donated medical equipment to Vietnam, which has continued this year.<sup>11</sup> The Japanese government announced on June 25, 2021, that it would provide 1 million doses of vaccines to four Southeast Asian countries, including Indonesia, Malaysia, the Philippines, and Thailand, starting in succession from July.<sup>12</sup>

### **2. Japan Strengthens Security Cooperation with Southeast Asia**

For a long time after the World War II, Japan carefully avoided actions with military implication when interacting with Southeast Asia, winning the hearts and minds of Southeast Asia with soft power such as economy, trade, and culture. During the Cold War, Southeast Asia became the front line of confrontation between the East and the West, and even "hot wars" such as the Vietnam War broke out. Therefore, they also have had reservations about foreign forces intervening in Southeast Asian security affairs. However, in recent years, in the face of China's military expansion in the South China Sea, Southeast Asian countries have felt an increasing sense of crisis and have turned to view security cooperation with countries outside the region positively. Japan is promoting security cooperation

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<sup>10</sup> In terms of vaccine coverage, 56.64% of the Japanese have received at least one dose of the vaccine.

<sup>11</sup> "Japan donates anti-epidemic medical equipment to Vietnam," *Vietnam News Agency*, April 10, 2021, <https://reurl.cc/pgQq6l>.

<sup>12</sup> "ASEAN4 カ国に新たにワクチン提供各100万回分," *The Asahi Shimbun*, June 26, 2021, <https://www.asahi.com/articles/ASP6T6376P6TUTFK00M.html>.

with Southeast Asia in this context.

### (1) *The Philippines*

Both Japan and the Philippines are treaty allies of the United States. In recent years, Japan has strengthened its military relations with the Philippines. Following Japan's decision to export air defense radars to the Philippine military in August 2020, it will further utilize "government development assistance" (Official Development Aid, ODA) provides rescue equipment used by the Self-Defense Forces to the Philippines.<sup>13</sup> On January 8, 2021, Japan dispatched the large patrol ship "Echigo" (えちご) of the Coast Guard to the waters surrounding the Philippines for joint training with the Philippine Coast Guard.<sup>14</sup> Between the defense/ military departments, from July 5 to 8, 2021, the Japan Air Self-Defense Force and the Philippine Air Force will conduct the first joint exercise, and the content of the exercise will be a humanitarian rescue.<sup>15</sup>

### (2) *Vietnam*

Vietnam had relatively close relations with Japan among the Southeast Asian countries that belonged to the communist camp during the Cold War. It was also the first country visited by Prime Minister Yoshihide Suga after his administration (and then to Indonesia), manifesting the importance Japan has attached to it. On June 3, 2021, Japan and Vietnam held a video conference between the defense ministers. The topics discussed included the docking of the Maritime Self-Defense Force ships and technical cooperation. (Profound suspense") China's Coast Guard Law.<sup>16</sup> From September 10 to 12<sup>th</sup>, Nobuo Kishi visited Vietnam personally, and Vietnam became the first country he visited after taking office as Defense Minister. The transfer agreement is an essential step towards supplying weapons

<sup>13</sup> "＜独自＞自衛隊装備、ODAでフィリピンに初供与 対中包囲の協力強化," *The Sankei News*, April 18, 2021, <https://www.sankei.com/article/20210418-QCLRVPYVWFNBXPIB257NQ4LGCI/>.

<sup>14</sup> "海上保安庁新潟拠点の巡視船「えちご」海賊対策のためフィリピンへ派遣," *乗り物ニュース*, January 9, 2021, <https://trafficnews.jp/post/103546>.

<sup>15</sup> "空自がフィリピンと訓練初の2国間、首都近郊で," *JJI.COM*, July 5, 2021, <https://www.jiji.com/jc/article?k=2021070500675&g=int>.

<sup>16</sup> "日ベトナム防衛相テレビ会談について," *Japanese Ministry of Defense*, June 3, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210603\\_vnm-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210603_vnm-j.html).

and equipment to Vietnam. On the 12<sup>th</sup>, Kishigan delivered a speech titled “Japan-Vietnam Defense Cooperation and Global Partnership Entering a New Stage” at the Vietnamese Ministry of Defense.<sup>17</sup>

### (3) *Indonesia*

Indonesia is the most populous country in Southeast Asia and the only Southeast Asian country with a “2+2 talks” mechanism with Japan. On March 28, 2021, the defense ministers of Japan and India held talks in Tokyo to discuss future joint military training in the South China Sea.<sup>18</sup> On the 30<sup>th</sup> of the same month, Japan and India held the second “2+2 Talks” and signed the “Japan-India Arms and Defense Technologies Transfer Agreement,” which took effect on the same day.<sup>19</sup>

On July 14, the Japan Coast Guard instructed the Indonesian Maritime Safety Agency personnel to strengthen the Indonesian maritime affairs technology through video.<sup>20</sup>

### (4) *Malaysia*

Malaysia has an amicable relationship with Japan. The “Look East” policy proposed by former Malaysian Prime Minister Mahathir Mohamad in early 1981 regarded Japan as a learning target for Malaysia’s development.<sup>21</sup> On April 15, 2021, Japan and Malaysia held a video conference between the defense ministers.

<sup>17</sup> “日越防衛相会談（概要）,” September 11, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210911\\_vnm-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210911_vnm-j.html); “越国防省における岸防衛大臣基調講演,” *Japanese Ministry of Defense*, September 11, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210911\\_vnm-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210911_vnm-j.html).

<sup>18</sup> “日インドネシア防衛相会談（概要）,” *Japanese Ministry of Defense*, March 29, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210328\\_idn-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210328_idn-j.html).

<sup>19</sup> Indonesia is the 10<sup>th</sup> target country for Japan to sign such agreements, after the United States, Britain, Australia, France, Italy, Germany, India, the Philippines, and Malaysia. “第2回日インドネシア外務・防衛閣僚会合（「2+2」）,” *Ministry of Foreign Affairs of Japan*, March 30, 2021, [https://www.mofa.go.jp/mofaj/press/release/press4\\_009033.html](https://www.mofa.go.jp/mofaj/press/release/press4_009033.html); *Agreement between the Government of Japan and the Government of the Republic of Indonesia Concerning the Transfer of Defense Equipment and Technology*, *Ministry of Foreign Affairs of Japan*, March 30, 2021, <https://www.mofa.go.jp/mofaj/files/100169288.pdf>.

<sup>20</sup> Since 2017, Japan has started to support countries in Southeast Asia and other countries to train maritime security knowledge and skills. Due to the epidemic, it will continue to be conducted by video from 2020. “海保インドネシア職員にオンライン指導,” *Nippon News Network*, July 14, 2021, <https://www.news24.jp/articles/2021/07/14/07906139.html>.

<sup>21</sup> “The Malaysian Look East Policy,” *Embassy of Japan in Malaysia*, <http://www.my.emb-japan.go.jp/English/JIS/education/LEP.htm>.

According to Japanese media reports in June 2021, following the sale of air defense radars to the Philippines in 2020, Japan is also scheduled to participate in Malaysia's bidding for air defense radars shortly.<sup>22</sup>

#### (5) *Thailand*

Since 2005, the Japanese Self-Defense Forces have participated in the “Cobra Gold” series of multilateral military exercises co-organized by Thailand and the United States every year. At the Japan-Tailand Defense Ministers Meeting on May 25 of 2021, Japan expressed gratitude for being.<sup>23</sup> The 2021 “Cobra Gold” military exercise was held from July 10 to August 23. Japan was invited to participate for the 17<sup>th</sup> time, covering cyber-attacks and humanitarian disaster relief subjects.<sup>24</sup>

#### (6) *Brunei*

Brunei is also a claimant in the South China Sea. Brunei has had little military interaction with Japan since its independence in 1984. However, on May 20, 2021, Japanese Defense Minister Nobuo Kishi held a video conference with Brunei's Second Minister of Defense,<sup>25</sup> On June 6<sup>th</sup>, the Maritime Self-Defense Force training ship “Kashima” (かしま) and “Seto Snow” (せとゆき) docked at Maura Port, Brunei, and on the 8<sup>th</sup>, and the Brunei Navy conducted a “Passage Exercise” (PASSEX) in the coastal waters of Brunei and the South China Sea.<sup>26</sup>

#### (7) *Laos, Cambodia*

On June 23, 25, 2021, Japan held video conferences between the defense ministers of Laos and Cambodia to discuss future defense cooperation and

<sup>22</sup> “＜独自＞政府、マレーシアに防空レーダー輸出へ来月から入札参加,” *The Sankei News*, June 19, 2021, <https://www.sankei.com/article/20210619-2K2ZJ72KANOJHADMVVBU6E7ITE/>.

<sup>23</sup> “日タイ防衛相テレビ会談について,” *Japanese Ministry of Defense*, May 25, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210525\\_tha-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210525_tha-j.html).

<sup>24</sup> “多国間共同訓練コブラ・ゴールド 21 への参加について,” 日本防衛省統合幕僚監部, July 8, 2021, [https://www.mod.go.jp/js/Press/press/2021/press\\_pdf/p20210708\\_02.pdf](https://www.mod.go.jp/js/Press/press/2021/press_pdf/p20210708_02.pdf).

<sup>25</sup> Brunei's defense minister is concurrently held by the king. “日ブルネイ防衛相級テレビ会談について,” *Japanese Ministry of Defense*, May 20, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210520\\_brn-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210520_brn-j.html).

<sup>26</sup> “海上自衛隊練習艦隊「かしま」、「せとゆき」のブルネイ寄港,” 在ブルネイ日本国大使館 (日本駐汶萊大使館), June 14, 2021, [https://www.bn.emb-japan.go.jp/itpr\\_ja/20210607.html](https://www.bn.emb-japan.go.jp/itpr_ja/20210607.html).

exchanges between the two countries and epidemic prevention and humanitarian assistance. The two sides also expressed respect for international laws and regulations such as the international law of the sea and opposed any attempt to change the status quo by force. In addition, Japan also mentioned cyber security threats with Laos and discussed with Cambodia about Japan’s assistance in cultivating talents for peacekeeping operations.<sup>27</sup>

Table 7-1 2021 Japan-Southeast Asian Defense Ministers Talk

date	countries to be discussed	The essential content of the conversation
March 28	Indonesia	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Concerns about China’s Coast Guard Law</li> <li>• Promote defense cooperation (including weapons and technology cooperation, docking of aircraft and ships of the Self-Defense Force, joint training, personnel Road Rescue and Epidemic Prevention)</li> </ul>
April 15	Malaysia	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Worry about the CCP’s Coast Guard Law</li> <li>• Promote defense cooperation (including weapons and technology cooperation, docking of aircraft and ships of the Self-Defense Force, joint training and personnel road rescue)</li> </ul>
May 20	Brunei	<ul style="list-style-type: none"> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Worry about the CCP’s Coast Guard Law</li> <li>• Promote defense cooperation (including humanitarian aid and epidemic prevention)</li> </ul>

<sup>27</sup> “日ラオス防衛相テレビ会談について,” *Japanese Ministry of Defense*, June 23, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210623\\_lao-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210623_lao-j.html); “日カンボジア防衛相テレビ会談について,” *Japanese Ministry of Defense*, June 25, 2021, [https://www.mod.go.jp/j/approach/exchange/area/2021/20210625\\_khm-j.html](https://www.mod.go.jp/j/approach/exchange/area/2021/20210625_khm-j.html).

date	countries to be discussed	The essential content of the conversation
May 25	Thailand	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Worry about the CCP's Coast Guard Law</li> <li>• Promote defense cooperation (including weapons and technology cooperation, humanitarian aid, and epidemic prevention)</li> </ul>
June 2	Philippine	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Worry about the CCP's Coast Guard Law</li> <li>• Promote defense cooperation (including weapons transfer, capacity building, humanitarian aid, and epidemic prevention)</li> </ul>
June 3	Vietnam	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Worry about the CCP's Coast Guard Law</li> <li>• Promote defense cooperation (including weapons and technology cooperation, docking of aircraft and ships of the Self-Defense Force, capability building, Humanitarian Rescue and Epidemic Prevention)</li> </ul>
June 23	Laos	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Continue to promote defense cooperation (including humanitarian assistance, epidemic prevention, and cybersecurity)</li> </ul>
June 25	Cambodia	<ul style="list-style-type: none"> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Promote defense cooperation (including the cultivation of peacekeepers, humanitarian aid, and epidemic prevention)</li> </ul>

date	countries to be discussed	The essential content of the conversation
September 11	Vietnam	<ul style="list-style-type: none"> <li>• Announcing a “new phase” of Japan-Vietnam defense cooperation, going beyond bilateral to regional and international Social peace and stability and make positive contributions.</li> <li>• Welcome the signing of the “Defense Equipment and Technology Transfer Agreement”</li> <li>• Emphasis on a free and open Indo-Pacific</li> <li>• Respect for international regulations such as international law of the sea</li> <li>• Oppose any attempt to change the status quo by force</li> <li>• Worry about the CCP’s Coast Guard Law</li> <li>• Promote high-level exchanges</li> <li>• Promote defense cooperation (including cyber security; peacekeeping; weapons and technology cooperation; Self-Defense Force aircraft and ships docking; capacity building; humanitarian rescue; epidemic prevention)</li> </ul>

Source: Author compiled from “National Defense Cooperation and Communication,” *Ministry of Defense of Japan*, <https://www.mod.go.jp/j/approach/exchange/area/index.html>.

### 3. Japan Continues to Support the Infrastructure Construction of Southeast Asian Countries

Japan has rich experience in assisting developing countries to promote infrastructure. Therefore, when facing China’s “Belt and Road” project, Japan, not to be outdone, proposed the “Partnership for Quality Infrastructure” program in 2015.<sup>28</sup> In fact, Japan’s “Free and Open Indo-Pacific” emphasizes the “pursuit of economic prosperity,” and one of the “three types of connections” it promotes is “physical connection,” and high-quality infrastructure is exactly the reason this link is valued.

Japan adopts a “whole-of-government” approach, in which different government ministries are responsible for support programs in related fields. For example, the Ministry of Foreign Affairs is in charge of the “Japan-ASEAN Connection

<sup>28</sup> “「質の高いインフラパートナーシップ」の公表,” *Ministry of Foreign Affairs of Japan*, May 21, 2015, <https://tinyurl.com/u6txdyt>.

Initiative” and the “Asia-Pacific Network Communication Environment Improvement Project Financing” program; the Ministry of Land, Infrastructure, Transport, and Tourism has the “Japan-ASEAN Transportation Cooperation” program; Promote the “ASEAN Regional Energy Infrastructure Financial Assistance” program, among others.<sup>29</sup>

## V. Conclusion

Looking at the steady progress of security relations between Japan and Southeast Asian countries today, the historical memory of Japan's invasion of Southeast Asia has faded, and instead, Southeast Asia is paying attention to Japan's development experience. When the related countries in Southeast Asia and China are frequently at odds, Japan is even more welcome to provide support. The global spread of COVID-19 since 2020 has seriously hindered international exchanges. However, the interaction between Japan and Southeast Asia shows that Southeast Asian countries expect Japan to play an increasingly critical role in the region, especially in balancing or diluting China's influence.

From the content of the aforementioned bilateral defense ministers' talks, it can be seen that although China has always had influence in Southeast Asia, the Japanese defense minister has not questioned the CCP's “rights and interests” in the South China Sea, including Vietnam, the Philippines, Malaysia, and Brunei, as well as Thailand. The Coast Guard Law reiterates that in addition to opposing the use of force to change the status quo, it is also possible to (unnamed) criticize China and oppose the use of force to change the status quo during talks with Laos and Cambodia, which have good relations with China. It can be seen that Japan's influence on Laos and Cambodia is emerging, and it cannot be ruled out that this is because Japan supports Laos and Cambodia's common neighbor Vietnam in many fields and has a “demonstration effect” on Laos and Cambodia.

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<sup>29</sup> “第23回日ASEAN首脳会議,” *Ministry of Foreign Affairs of Japan*, November 12, 2020, <https://tinyurl.com/npf6e3sa>.

While China pursues “vaccine diplomacy” in Southeast Asia, it does not give up the intimidation of traditional or non-traditional forces (such as maritime militias). Japan just took this opportunity to enhance its security relations with Southeast Asian countries, including conducting military exercises or maritime security and disaster relief training, as well as selling weapons and equipment to the Philippines, Malaysia, Indonesia, and other maritime countries, as well as Vietnam. Since Lianliao, Cambodia, and other relatively friendly Indo-China Peninsula countries are also willing to conduct defense ministerial dialogue with Japan, it is clear that Japan’s influence in the security field over Southeast Asian countries is gradually expanding from “maritime Southeast Asia” to “mainland Southeast Asia.”

The Taiwan government vigorously promotes the “New Southbound Policy,” Among the 18 countries targeted by the policy, Southeast Asian countries account for more than half and as many as ten countries. Neighboring Japan, aiming at the needs of Southeast Asian countries, promotes support and cooperation in the three areas of health, security, and economic and people’s livelihood, and has achieved results. Japan’s experience should be learned from Taiwan. As the relationship between Taiwan and Japan warms up, “Joining Hands Southward” should also be included in the agenda of future bilateral dialogues in due course.

# Chapter 8

## India-China's Border Anxiety and Precautions

Ming-Shih Shen\*

### I. Introduction

Since the outbreak of conflicts in Doklam in the middle section of the India-China border in 2017 and the Galwan Valley and Pangong Tso in 2020, although India and China have gone through many rounds of negotiations and reached a withdrawal from Pangong Tso only after the ninth negotiation in February 2021, the two sides have not completely withdrawn their troops from the disputed area. On the contrary, the two sides have intensified their troop build-up and training on long-range force projection along the western border. The recent visit of Chinese leader Xi Jinping to Tibet during the floods in Zhengzhou, Henan Province, and his talks with officers of the Tibetan army not only commemorate the 70<sup>th</sup> anniversary of the Communist army's entry into Tibet but also concern about the Communist army's defense and deployment during the border conflict between India and China in the eastern sector. Furthermore, In June 25, 2021, when the Lhasa-Nyingchi railway, (also known as Lalin Line) was finished, Xi specifically choose to take this railroad to Nyingchi, this highlights the strategic value both on defense and economic of this line. The Lalin Line will link the Sichuan-Tibet and Qinghai-Tibet railroads, and a railroad from Linzhi to Chengdu will be built in the future, making the Tibetan Railway a link between Gansu, Qinghai, Yunnan, and Sichuan, which will play an essential role in long-range logistics and troop transport during border

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conflicts between India and China.

India and China have no plans to raise the border conflict on both sides. However, with China's external relations, internal stability, and economic downturn, an agreement to stabilize the Ladakh border conflict, which is essential for the next Chinese 20<sup>th</sup> Congress's Beidaihe Conference, would help Xi Jinping stabilize his internal political situation. The problem is that as long as the border dispute between India and China remains unresolved, the military forces of both sides will habitually express their stance on territorial sovereignty and cross the border due to internal political changes and nationalist sentiments, which may still cause conflicts again.

## **II. Infrastructure Construction and Military Deployment Caused by Border Anxiety**

Due to the dispute in India-China border, in case to gain better strategic stance, India has taken initiative on reinforce border's infrastructure. In July 2021, India built 63 new bridges and 12 new roads in seven states which border with China.<sup>1</sup> Of the 63 bridges, 11 are in the Ladakh region, and four are in the Jammu and Kashmir region. Other Indian states along the Line of Actual Control receive the remaining resources: three in Himachal Pradesh, six in Uttarakhand, eight in Sikkim, one each in Nagaland and Manipur, and one in Arunachal Pradesh. 1 each in Nagaland and Manipur, and 29 in Arunachal Pradesh. The total cost of building these bridges is 2.4 billion rupees (about \$32.2 million).<sup>2</sup> This is a symbol of India's changing strategy, but it remains cautious when it comes to the sensitive state of Arunachal Pradesh.

On the India-China border, the physical border infrastructure has operated for

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<sup>1</sup> Kunal Purohit, "China-India Border Dispute: New Delhi Talks up Infrastructure Build-up in Strategy Shift Against Beijing," *South Chinese Morning Post*, July 6, 2021, <https://www.scmp.com/week-asia/politics/article/3139929/china-india-border-dispute-new-delhi-talks-infrastructure-build>.

<sup>2</sup> Rajeswari Pillai Rajagopalan, "Unabating Tension with China Spurs India's Border Infrastructure Efforts," *The Diplomat*, July 1, 2021, <https://thediplomat.com/2021/07/unabating-tension-with-china-spurs-indias-border-in-frastructure-efforts/>.

years in favor China. China has progressed in infrastructure and connectivity in the Tibetan Autonomous Region and the India-China border region. China has also undertaken significant rehabilitation of the Karakoram Highway to improve connectivity between China and Pakistan. India, in particular, has neglected developments in the border region for decades, affecting the Indian military's long-range force projection ability in emergencies. Nevertheless, Indian government policy has changed to build and upgrade roads, bridges, and tunnels in the border region. The border dispute has required both India and China to station troops along the border to prevent the other side from crossing the border or taking advantage of the situation. However, because the border is located on a plateau, the identification of temporary buffer zones or boundaries near the actual line of control often becomes a point of contention as the landscape changes after river erosion or snow cover.

For example, in the Ladakh region, Aksai Chin, which India claims to own, is physically occupied by China, and there are other disputed areas along with Aksai Chin to Gavan and Bangong Lake, which become essential areas for the local garrison to assert their sovereignty when the situation between India and China is elevated. In the Gavan incident, for example, the Indian army took countermeasures against the Chinese army for crossing the border because the middle line of the river valley was shifted, and although the conflict was temporarily stopped, a second clash broke out at Bangong Lake due to mutual casualties. Although both sides did not use weapons, both sides were unwilling to back down because of the territorial sovereignty involved and subsequently took additional confrontation actions.

In June 2021, the Chinese Air Force deployed more than 20 Chinese 11 and some 16 to conduct air combat exercises on the India-China Line of Actual Control (ILC) in the eastern part the Indian city of Lehig, on the Chinese side of the border.<sup>3</sup> The Indian Air Force responded by acquiring French fighters Rafel. These Chinese aircraft come from recently rebuilt and strengthened airports such

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<sup>3</sup> Lai Jinhong, "Indian Media: Communist J-16 Dominates the Frontline in India and China, Indian Fighter Jets Cannot Prevail," *United News Network*, June 13, 2021, <https://udn.com/news/story/7331/5530434>.

as Hotan, Ali Kunsha, and Kashgar. These airports have been rebuilt with solid shelters, longer runway lengths, and additional logistics and human resources to accommodate additional aircraft types. Alikunsa Airport is the closest to the border, but the 3,000-meter terrain has limited the number of fighter deployed. Xinjiang's main air force base is in Hotan, about 350 kilometers from the border, where 50 to 60 fighters can be deployed, H-6K, and Kashgar air base, about 600 kilometers from the border, which can serve as a backup airport.

In addition, according to the *Hindustan Times*,<sup>4</sup> China has established a new joint air defense system for the Western Theater, which will be responsible for air defense operations along the India-China Line of Actual Control. To establish this system, China has transferred new weapons systems and aircraft formations to Tibet and Xinjiang to enhance Chinese air defense combat capabilities behind the Line of Actual Control, validated through exercises in the Western Theater. Because joint air defense operations involve Army and Air Force units under the command and control of the theater air force, at least 10 PLA Army and Air Force units are integrated into the chain of command to become the new joint air defense system.

In addition, China is building hundreds of new facilities to support its troops in the Ladakh border towns of Rudok and Kangxiwar in order to strengthen its combat readiness. Kangxiwar is located north of the Aksai Chin plateau, connecting Tibet and Xinjiang regions. In addition, the Chinese have established about 20 permanent and temporary camps in Rudok, with a capacity of 15,000 to 18,000 troops, compared to about 5,000 in the previous camps.

Besides the troops which belongs Western Theater, the 81<sup>st</sup> Group Artillery Brigade's Long-Range Multiple Rocket Company, part of the Central Theater, also conducted training in Xinjiang in conjunction with UAV units, this kind of cross-Theater support will this become a regular operation, worthy of follow-up observation. It was impossible to correct the target by forwarding observation

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<sup>4</sup> Rezaul H. Laskar, "China Creates Combined Air Defense System along LAC," *Hindustan Times*, June 2, 2021, <https://www.hindustantimes.com/india-news/china-creates-combined-air-defence-system-along-lac-101622544473501.html>.

because of the long-range, so the target correction was done by drone. In this fire exercise, the Xinjiang military region used the new 122 mm wheeled self-propelled artillery and Type 08 infantry armored vehicles to engage in border operations and deployed the Red Flag 9 anti-missile system.

In order to counter Chinese firepower, India also used K9 self-propelled artillery purchased from South Korea to deploy near the border and purchased M777 artillery from the United States to enhance ground countermeasures firepower. In addition, 24 MH-60 multi-purpose helicopters, 6 Apache attack helicopters, 30 armed drones from the United States, and anti-aircraft missiles and Heron TP drones from Israel were purchased to respond to the India-China border situation.

On July 3, the media also reported that India and China had sent tens of thousands of troops and advanced equipment to the border, bringing the two countries' military deployments to the highest level in decades. Last year, there were about 15,000 troops, but now the number has increased to 50,000. Because of the increase in troop numbers, the two country are also working on strengthen their own military infrastructure, including underground tunnels, logistics facilities, field hospitals, helipads, and barracks with cold proof ability, in an attempt to enhance and ensure the deployment and capability of their troops during the harsh cold.

In summary, the situation between India and China at the border has not been eased by the withdrawal of troops, but rather, the two countries have stepped up their defenses against the expected rise in conflict and have drawn up battle plans for conflicts at different parts of the border, and used the summer months to enhance training for their border troops.

### **III. The Indian and Chinese Border Negotiations and Post-Border Negotiation Preparedness**

Since the Gavan conflict, India and China have been negotiating at the corps level to stabilize the security of the Ladakh border. The eleventh round of corps level talks in April 2021 lasted for 13 hours, but the two sides had no sign of concessions. The Chinese refused to disengage in the Gogra, Hot Springs, and

Depsang areas of eastern Ladakh, where motorized infantry, artillery, and air defense brigades are deployed only a few dozen meters from Indian posts. If China does not withdraw its troops, the possibility of renewed conflict exists.

In all fairness, negotiations on the India-China border dispute are not a decision to be made at the level of the military commanders, and any major decision must follow strategic guidance from the top levels of both governments, which is influenced by the strategic situation in the region. The QUAD summit in April 2021 was a demonstration of the four countries working closely together to counter China. The subsequent summits between the U.S., Japan, South Korea, the U.S., the North Atlantic Treaty Organization (NATO), and the Group of Seven (G7) have already reached a consensus on China's "wolf diplomacy" and its brutal handling of the Xinjiang, Hong Kong, and Taiwan issues. Under these circumstances, it is unlikely that China will show weakness on the India-China border issue, and it is only natural that China's military negotiators will stick to their established position and emphasize sovereignty.

However, on July 31, 2021, talks at the level of military corps, India has said that resolving the standoff between the garrisons in the region is very important to India-China relations. Furthermore, on July 16, Indian Foreign Minister Subrahmanyam Jaishankar told Chinese Foreign Minister Wang Yi at the India-China bilateral foreign ministers' meeting in Dushanbe, the capital of Tajikistan, that the continuation of the situation in eastern Ladakh would have a negative impact on bilateral relations between the two countries. The two sides agreed to hold another meeting of senior military commanders, and both sides agreed that a prolongation of the current situation would not be in the interest of either side.<sup>5</sup>

On July 5, the commander of the Western Theater was suddenly replaced by Xu Qizhi from Zhang Xudong and then by Wang Haijiang on September 6, as if there were signs of a temporary change of commanders to facilitate the outcome of the 12<sup>th</sup> round of corps level talks. The government's decision to replace the commander of the Western Theater with Wang Haijiang, who had just taken over as

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<sup>5</sup> Lin Wangjing, "India-China Foreign Ministers Talk, Border Situation Slows Down," *United News Network*, July 16, 2021, <https://udn.com/news/story/7331/5604842>.

commander of the Xinjiang Military Region, was a significant concern.<sup>6</sup>

The 12<sup>th</sup> round corps level talks statement mentioned that “the two sides continue to exchange frank and in-depth views on promoting the disengagement of troops in the western sector of the Indian-Chinese border along the Line of Actual Control” and that “the talks were constructive and further enhanced mutual understanding. The two sides agreed to maintain the momentum of dialogue in accordance with the bilateral agreement and to resolve the remaining issues as soon as possible.” The Chinese attitude has softened as the meeting ended in nine hours, probably the shortest round of talks between the Indian and Chinese militaries. Both countries want to stabilize the situation in Ladakh as soon as possible in this round of negotiations at the level.

It is worth noting that on August 1, the day after the talks, which is also the 94<sup>th</sup> anniversary of the founding of the Chinese army, India and China held a ceremony to open a hotline between the Indian army at Kongka Pass in northern Sikkim and the Chinese army at Gangba in the Tibetan Autonomous Region to demonstrate the trust and friendly relations between the two countries at the border. This is the second hotline between India and China in the Sikkim sector, with two hotlines in the western sector at the Ladakh border and two in the eastern sector at the Arunachal Pradesh border, making a total of six hotlines for conflict avoidance at the India-China border. Therefore, the opening ceremony will be held at this time means that the previous day's border talks will be held smoothly, and a consensus will be reached.

However, the problem is that no details have been released on how the two countries will disengage in Ladakh, and there will be no significant changes soon on whether the two countries will slow down their military deployments to prevent conflicts and whether additional troops will be deployed and military facilities will be expanded. If the two countries believe that adopting a strategic position on the border troop increase can effectively reach a negotiated agreement, it is unlikely

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<sup>6</sup> Ananth Krishnan, “Xi Names New General to Head Border Command, Third Change This Year,” *The Hindu*, September 7, 2021, <https://www.thehindu.com/news/international/xi-names-new-general-to-head-border-command-third-change-this-year/article36331318.ece>.

that either side will take the initiative to withdraw their troops. Like Ladakh originally had two hotlines, but when one side insists on raising the conflict, such communication confidence-building measures can hardly work when a conflict breaks out.

## **IV. Future Development and Impact of India-China Border Situation**

### **1. India and China Hope to Find a Way Down to Avoid the Escalation of the Conflict**

In both the 2017 Donglang dispute and the 2020 Gavan conflict, it appears that the border troops were “serious” about their mission, resulting in casualties and causing conflict. The Indian side has no intention to escalate the conflict and take advantage of the situation to resolve the border issue. In China’s case, while China has isolated itself with its “war wolf diplomacy” in the face of the strained U.S.-China relations, provoking the border conflict has driven India to strengthen its cooperation with the U.S. and NATO countries, which has put China in a strategic position with its back against the enemy. Even though China is confident that after the military reform, it has surpassed India in terms of army size, infrastructure, and warfare capabilities, if a war is started, it will not be over in a short period and may extend from the conflict in Ladakh to Tibet and Arunachal Pradesh. The rise of conflict would be detrimental to Xi Jinping, who is eager to stabilize the transition to the 20th National Congress and remain in power. India may not be ready for a military confrontation with China, but a corps-level negotiation would allow the two countries to find a way down to ease the India-China border conflict.

### **2. India’s Approach and Changes to the QUAD Summit**

In the face of the India-China border conflict, India needs time to strengthen its preparations for the military conflict and the assistance of other countries. Due to its tradition of non-aligned, India has not signed defense or alliance

agreements with any country and subjectively hopes to receive support from other countries when it is difficult to counter the Chinese threat. Although India has signed a military cooperation agreement with the United States and is active in the Quadrilateral Security Dialogue, it will not become an ally with the United States or demonstrate an attitude of cooperation with the United States, Japan, and Australia in the fight against China. Although India has acquired advanced systems from the United States, such as maritime patrol aircraft, Apache helicopters, Harpoon missiles, and aircraft engines, this is only a way for India to improve its armaments, and it cannot be taken for granted that the United States and India have strengthened their military alliance. Just as India also procures fighters from Russia and France, it cannot be said that India may form a military alliance with Russia and France.

However, India has to face the fact that there is a border dispute with a strong enemy, and if China does not give up its attempts to recover its territory, the two countries may come into conflict at the border. If India cannot stand up to China on its own, it needs the support and assistance of other countries. Whether it is the Asia-Pacific rebalance or the Indo-Pacific strategy, the U.S. needs India to play the role of a pillar in South Asia, so there is still room for military cooperation between the U.S. and India in the context of geostrategic interests. During Secretary of State Anthony Blinken's recent visit to India, Secretary of State Antony Blinken clarified that both India and the United States want to prevent the Chinese Communist Party and its allies from taking control of the Indo-Pacific region.<sup>7</sup> That is, they want to strengthen security cooperation with India in the common interest of both the United States and India. The four countries are holding Exercise Malabar in the South China Sea region, which raises the level of security cooperation among the four countries.

It is possible that this mechanism was not mentioned in the joint statement because India views it as a broad security mechanism rather than a military alliance

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<sup>7</sup> Gurley, "Secretary Blinken's Visit to India Focuses on Afghanistan and China," *Radio France Internationale*, July 28, 2021, <https://www.rfi.fr/tw/international/20210728> - US Secretary of State Blinken visits India - Focus on Afghanistan and China.

mechanism.<sup>8</sup> The September 2021 summit of the four countries did not explicitly refer to the China-India border and Taiwan Strait issues. However, this does not mean that the China-India border is unimportant or that the U.S. policy toward China has changed.

### **3. Both Countries Continue to Adopt Offensive Defenses to Gain Deterrence and Advantage**

Border troops operate in the front line of the Chinese military border from the Xinjiang Military Region and the Tibetan Military Region, but they have strengthened the formation and equipment of the two military regions' synthetic brigades. In addition, China is supporting the Xinjiang Military Region with the 77<sup>th</sup> Group Army in the Western Theater, the Tibet Military Region with the 76<sup>th</sup> Group Army, and the 81<sup>st</sup> Group Army and the Airborne Army in the Central Theater as reserve units, forming a strategic deployment that facilitates deep operations and maneuvering. Furthermore, the media reported that the former commander of the Strategic Support Forces, Li Fengbiao, was appointed political commissar of the Western Theater.<sup>9</sup> He moved from being a commander specializing in space and cyber warfare to being the political commissar of the Western Theater, which supervises the Xinjiang and Tibetan military regions, possibly drawing on his experience in the Airborne Army and the Strategic Support Forces to integrate joint operations for border conflicts. In addition, the establishment of railway and highway networks in Xinjiang and Tibet, as well as the establishment of militarized villages along the Bhutan border, are all strengthening the military deployment along the India-China border in an attempt to “salami slicing” and achieve the fact of sovereignty in the border area.

While the Indian army along the border remains a traditional mountain army and mountain division, the Chinese army is deployed along the India-China border in a group army and synthetic brigade units. Although India understands China's

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<sup>8</sup> US White House, “Joint Statement from Quad Leaders,” *The White House*, September 24, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/joint-statement-from-quad-leaders/>.

<sup>9</sup> Zhang Qian, “Analysis of Xi Jinping's trip to Tibet: Declare India-China border position,” *China Central News Agency*, July 27, 2021, <https://www.cna.com.tw/news/acn/202107270109.aspx>.

intentions and practices, there is no practical way to curb China's behavior in the gray-zone operation along the border other than deploying more troops. In particular, India's border battlefields are slow to operate, and India is currently strengthening the operation of railways and highways in the border areas, but the deployment of troops by road is less in number and more time-consuming, by using large military transport or helicopter can make up for the lack of infrastructure.

On October 10, 2021, the Chinese and Indian armies held their 13<sup>th</sup> round of corps level talks. China insisted that India withdraw the thousands of troops and weapons it had sent to the India-China border in 2020, including its garrison in the Depsang Plains.<sup>10</sup> India rejected China's request because it believed that the Chinese military's frequent exercises there proved that China was ready to intensify its activities along the Line of Actual Control and that withdrawal was not possible. The twelfth round of talks between the two sides at the corps level showed that they had agreed to disengage their forces, but preparations for a possible border conflict were unlikely to be eased. The possibility of border conflict still exists in the Eastern, Central, and Western Sectors.

## V. Conclusion

Although India and China have reached a consensus at the level of corps talks to withdraw reinforcements from the disputed area of Ladakh, the two countries have not backed down from their sovereignty views, nor have they established a model for a definitive solution. predictably, the Ladakh border issue is temporarily suspended, but the dispute remains. Although the tensions have subsided, there is still a risk that clashes between border troops on border patrol could escalate. Both countries have stepped up their defenses against possible military conflicts, but the more troops or infrastructure they build at the border, the more suspicion will be aroused by the other side, and the higher the suspicion, the harder it will be for both

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<sup>10</sup> Rajat Pandit, "India, China Lash Out at Each Other as Talks Reach Bitter Deadlock," *The Times of India*, October 12, 2021, <https://timesofindia.indiatimes.com/india/lac-row-no-breakthrough-in-13th-round-of-india-china-talks/articleshow/86928076.cms>.

sides to reach a consensus to ease the border, and there is still a possibility of stray fire.

With the strengthening of U.S.-India trade in armaments, joint exercises, personnel exchanges, and maritime security and anti-piracy cooperation, military cooperation has become an essential pillar of U.S.-India relations. After Biden took office, this trend showed no change, and the strategic partnership between the two countries is expected to be further strengthened under Biden's leadership. Biden will not change his mind about Trump's Indo-Pacific strategy, but its implementation will be adjusted. Because the U.S. and Indian leaders are concerned about the rise of China in the Indo-Pacific region, the two countries are deepening their military cooperation and strengthening each other's strategic assurances. Nevertheless, India does not expect the United States to intervene in the India-China border conflict, complicating the border issue. India is actively strengthening its military organization and upgrading its armaments, and it still needs U.S. assistance in the technology and defense industry.

# Chapter 9

## Australia's Role and Actions in the U.S. Indo-Pacific Strategic Framework

An-Hao Huang

### I. Introduction

Since the end of the Cold War, many Western democracies and even academics have been optimistic about the phenomenon of China's rise, most believing that bringing China into the global economy would lead to a peaceful evolution of China, which would lead to political reforms toward Western democracies and make it a "responsible stakeholder" in international security.<sup>1</sup> But since the advent of the Donald Trump era, this long-standing Western narrative of coexistence has been replaced by a near-zero-sum adversarial mindset that is no longer the norm in U.S. diplomacy. While the global economic and trade links to the Chinese market have become inseparable, the growing U.S.-China rivalry has created a fundamental security imperative for U.S. ally Australia to choose between democracy and autocracy.

Australia has been the most loyal traditional security ally of the United States in the Pacific. Under the 1951 ANZUS Treaty framework, Australia's defense strategy is virtually tied to U.S. Pacific security policy, and it has volunteered to serve as the "deputy sheriff" of the United States in the Pacific. For this reason, Washington has a deep respect and affection for Canberra. Geographically located between the

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<sup>1</sup> Andrew Taffer, "Washington Still Wants China to Be a Responsible Stakeholder," *Foreign Policy*, December 29, 2020, <https://foreignpolicy.com/2020/12/29/washington-china-responsible-stakeholder/>.

Indian and Pacific Oceans in the southern hemisphere, Australia had the concept of the Indo-Pacific region long before the U.S. proposed the Indo-Pacific Strategy. Australia even linked the Indian Ocean and the Pacific Ocean for the first time in 2012 and called it the “strategic arc”.<sup>2</sup>

Australia’s “strategic arc” of the Indo-Pacific concept stems from Australia’s sense of insecurity and anxiety about its geopolitical location. To ensure national security, Australia has to face challenges from the Indian Ocean and the Pacific Ocean, but this is not enough to support Australia’s national security in terms of its relatively limited defense forces. Therefore, the proposed U.S. Indo-Pacific strategy meets Australia’s geo-security needs and strategic vision and strengthens the complementary military and security alliance between the U.S. and Australia.<sup>3</sup> The question this paper will explore is, given the continuation of the former Trump administration’s Indo-Pacific strategy and its continued resistance to China, what should be Australia’s role in the current Indo-Pacific strategic framework? What should Australia do?

## II. U.S.-Australia Security Relations under the Biden Doctrine

If the Trump Doctrine is based on unilateralism such as “America First” or “isolationism,” then the Biden Doctrine can be described as “alliance first” or “multilateralism.” From the international outlook Biden expressed before and after his election, it is clear that rebuilding the trust of allies in the United States and strengthening their cooperation with the United States will be the central axis of the Biden administration’s diplomatic path.<sup>4</sup> Faced with the challenge of “strategic competitor” China and Russia, multilateralism will be the basis for the United States to handle international affairs and maintain the international

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<sup>2</sup> Australian Government, *Australia in The Asian Century* (Canberra: Department of Prime Minister and Cabinet, 2012), [https://www.defence.gov.au/whitepaper/2013/docs/australia\\_in\\_the\\_asian\\_century\\_white\\_paper.pdf](https://www.defence.gov.au/whitepaper/2013/docs/australia_in_the_asian_century_white_paper.pdf).

<sup>3</sup> Huang Enhao, “Chapter 7: Australia’s South China Sea Policy and Actions,” edited by Zhong Zhidong, *South China Sea Security from Multiple Perspectives* (Taipei: Wu Nan Publishing House, December 2020), p. 211.

<sup>4</sup> Lin Yuli, “Biden to make first US president speech at Munich Security Conference,” *China Central News Agency*, February 12, 2021, <https://www.cna.com.tw/news/aopl/202102130013.aspx>.

order.<sup>5</sup> Therefore, the United States will continue to work under the Indo-Pacific framework. Therefore, it is predictable that the United States will continue to deepen its military-security cooperation with Australia under the Indo-Pacific framework. Biden's and Trump's anti-China orientation remains unchanged mainly in China policy. Biden essentially believes that China's attempt to supplant the U.S. in the international arena requires it to be seen as a hypothetical enemy and compete strategically. Compared to Trump, Biden is more flexible in that he believes that China should be "cooperative when it is cooperative, competitive when it is competitive, and confrontational when it is confrontational. The *Economist* called this Biden's "new China doctrine".<sup>6</sup>

The U.S. Strategic Framework for the Indo-Pacific, declassified in January 2021, emphasizes that China is unilaterally changing international norms, regional order, and democratic values, while the United States seeks to defend the values of a free and open Indo-Pacific region that allies and partners can share. Furthermore, maintain a rules-based international order. While regional states (Australia, Japan, and India) have their Indo-Pacific ideas, the document emphasizes U.S. support for allied and partner engagement and complementary capabilities in the Indo-Pacific region to address China's military threats and economic challenges. The document also places considerable emphasis on Australia's strategic position in the Indo-Pacific, not only in terms of strengthening U.S. capabilities and cooperation in the framework of the Indo-Pacific strategy but also in Australia's security role in the Quadrilateral Security Dialogue (QUAD).<sup>7</sup>

The Interim National Security Strategic Guidance, released by the White House National Security Council on March 3, 2021, defines China as the only country with the comprehensive economic, diplomatic, military, and technological

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<sup>5</sup> Yang Mingjuan, "Bidenism Emerges, Always Cooperate with Allies," *China Central Radio*, February 20, 2021, <https://www.rti.org.tw/news/view/id/2092225>.

<sup>6</sup> "Biden's New China Doctrine," *The Economist*, July 17, 2021, <https://www.economist.com/weeklyedition/2021-07-17>.

<sup>7</sup> "U.S. Strategic Framework for the Indo-Pacific," *The White House*, January 5, 2021, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/IPS-Final-Declass.pdf>.

capabilities to challenge the existing open international order.<sup>8</sup> To offset China's global challenge, the United States has placed greater emphasis on its security commitments to its allies. For example, in April 2020, Australia's public call for an investigation into the origin of the COVID-19 in China led to Chinese discontent and the subsequent imposition of trade sanctions against Australia. In an interview with *The Sydney Morning Herald* on March 16, 2021, Kurt Campbell, director of the National Security Council's Indo-Pacific coordinator, said Beijing must improve Australia-China relations before U.S.-China relations can improve; The United States is not prepared to upgrade bilateral relations and reach separate agreements with (China) when its close allies are under economic threat.<sup>9</sup>

In recent years, China's "One Belt, One Road" initiative to provide financial assistance to South Pacific island nations to build critical infrastructure has caused Australia to feel doubly concerned about regional security. Under the Indo-Pacific strategic framework, the U.S. and Australia have emphasized the need to enhance security cooperation with allies, expressed a strong stance against China's military expansion into the South Pacific and looked to the multilateral security cooperation framework to keep China in check. In terms of the Quadrilateral Security Dialogue, the first summit meeting of U.S., Japanese, Australian, and Indian leaders on March 12, 2021, was an essential exercise of the Biden administration's emphasis on international multilateralism. The joint statement of the meeting put forward the "spirit of quadrilateral dialogue" and discussed the importance of issues such as "the East and South China Seas," "maritime security," "democratic values," and "the rule of law and freedom of navigation and overflight."<sup>10</sup> Although the statement did not explicitly refer to the threat of China, nor did it address the issue of military cooperation, the four countries have formed a joint effort to address the

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<sup>8</sup> "Interim National Security Strategic Guidance," *The White House*, March 3, 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf>.

<sup>9</sup> "US Shows Solidarity with Australia over China Trade War," *The Sydney Morning Herald*, March 16, 2021, <https://www.smh.com.au/politics/federal/us-shows-solidarity-with-australia-over-china-trade-war-20210316-p57ba2.html>.

<sup>10</sup> "Leaders of the United States, Japan, India and Australia Issue a Joint Statement on the 'Spirit of Four-way Dialogue,'" *Radio France Internationale*, March 13, 2021, <https://www.rfi.fr/cn/政治/20210313-美日印澳四國領導人發表聯合聲明，談四方對話精神>.

threat of China.

### **III. Australia's Role in the U.S. Indo-Pacific Strategy**

On the premise that the U.S.-Australian military security alliance is the central pillar of Australia's national security, Australia's strategic planning and security practices in the region are still mainly oriented towards the U.S. Indo-Pacific strategy, despite Australia's own Indo-Pacific security concept. As a result, Australia's military and foreign policy actions in the region can often be seen in its official white papers. The following explores Australia's military and diplomatic roles in the U.S. Indo-Pacific strategy from Australia's recent defense and foreign affairs white papers.

#### **1. The Role of Military Alliances**

Australia's 2016 Defence White Paper, published in 2016, notes that the United States has dominated the prosperity and rules-based global order of the Indo-Pacific region for the past 70 years; for Australia, which relies on open shipping lanes and diverse trade partners, maintaining stability and prosperity is critical to Australia's national interests.<sup>11</sup> The White Paper, The White Paper, sets out three fundamental strategic defense interests: first, to ensure a secure and resilient Australia; second, to ensure the security and stability of Australia's neighbors, such as Southeast Asia and the South Pacific; and third, to stabilize the Indo-Pacific region and the rules-based global order. In this White Paper, Australia predicts that developments in U.S.-China relations will pose serious economic and security challenges in the Indo-Pacific region by 2035. In this regard, Australia must continue to work with the United States and its partners in the Indo-Pacific region to strengthen its national interests by ensuring the security and stability of the Indo-Pacific.

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<sup>11</sup> Department of Defense of Australian Government, *2016 Defense White Paper* (Australia: Department of Defense, 2016), pp. 13-14.

As you can see from the aforementioned White Paper, Australia attaches great importance to the security of the Indo-Pacific region and its neighbors. If we look at Australia's security perspective in the context of the U.S. Indo-Pacific strategic framework, we can see that Australia is an essential country in the southern part of the U.S. "second island chain" of defense and is a critical anchor force in the chain; it is clear that the U.S. and Australia share common security interests in the second island chain. As Chinese naval forces continue to expand into the South Pacific, the security of the Second Island Chain is already being challenged. Once Chinese military forces break through the Second Island Chain and extend to the Third Island Chain, this will not only challenge U.S. security but will also pose a direct threat to Australian security. Therefore, defending the second island chain within the framework of the U.S.-Australian military alliance, especially in the vicinity of Indonesia and Papua New Guinea, is an issue for Australia's national defense strategy and highlights Australia's pivotal role in the Indo-Pacific strategy.

Given Japan's historical experience of invading Australia from the northeast during World War II, Australia attaches great importance to the northern part of its territory from the Indonesian Islands, Papua New Guinea, and then the Solomon Islands, an essential link between the Indian Ocean and the Pacific Ocean, which Australia calls the "inner arc" strategic space. This geography is Australia's "main strategic area of interest" in the face of the threat from the north. It is imperative to Australia's defense and security and the U.S. Indo-Pacific strategy and an essential hub for the U.S. military in the South Pacific to fill the Pacific force gap, especially in the deployment of warplanes and warships. In order to counterbalance China's strategic military expansion into the South Pacific, U.S.-Australia cooperation using Australia's geostrategic depth will not only effectively enhance Australia's regional defense range but also increase the flexibility of U.S. forces to enter and exit the Indo-Pacific region.<sup>12</sup>

In addition to Australia's existing military alliance with the United States, on September 15, 2021, Australia, the United Kingdom, and the United States

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<sup>12</sup> Huang Enhao, "Australia's Strategic Plan for Strengthening 'Internal Arc' Defenses," *Taipei Forum*, April 15, 2020, [http://www.taipeiforum.org.tw/view\\_pdf/593.pdf](http://www.taipeiforum.org.tw/view_pdf/593.pdf).

announced the formation of the Australia-UK-U.S. Security Partnership (AUKUS).<sup>13</sup> The first military security alliance in the international community since the end of the Cold War, the AUKUS is part of the Biden administration's Indo-Pacific strategy, with the primary goal of helping Australia build a fleet of at least eight nuclear-powered conventional submarines. In addition, of course, the alliance includes military intelligence, quantum technology, and cruise missile procurement (the announcement of the new alliance was followed by the cancellation of an arms sales contract with France to build 12 conventional submarines).<sup>14</sup> Although establishing the Australia-UK-U.S. Security Partnership is not explicitly aimed at China, it marks a shift in Australia's security perspective and the U.S. Indo-Pacific strategy from a defensive to an offensive one. The aim is to counterbalance China's military expansion and threat.

## 2. The Role of Diplomatic Alliances

If the U.S.-Australian military alliance was established for defense and intelligence cooperation, then the U.S.-Australian diplomatic relationship exists to build the international security environment. Australia's 2017 Foreign Policy White Paper, published in November 2017, refers to the Indo-Pacific region as "a region that spans the East Indian Ocean to the Pacific Ocean and connects Southeast Asia, encompassing India, North Asia, and the United States".<sup>15</sup> This definition coincides with the Japanese "Asia's Democratic Security Diamond" concept<sup>16</sup> and the U.S. Indo-Pacific Strategy Report<sup>17</sup> in terms of geostrategy. First, countries should strengthen dialogue and resolve disputes peacefully in accordance

<sup>13</sup> "UK, US AND Australia Launch New Security Partnership," *Prime Minister's Office*, September 15, 2021, <https://www.gov.uk/government/news/uk-us-and-australia-launch-new-security-partnership>.

<sup>14</sup> Media Statement, "Australia to Pursue Nuclear-Powered Submarines through New Trilateral Enhanced Security Partnership," *Prime Minister of Australia*, September 16, 2021, <https://www.pm.gov.au/media/australia-pursue-nuclear-powered-submarines-through-new-trilateral-enhanced-security>.

<sup>15</sup> Department of Foreign Affairs and Trade of Australian Government, *2017 Foreign Policy White Paper* (Australia: Department of Foreign Affairs and Trade, 2017), p. 1.

<sup>16</sup> Shinzo Abe, "Asia's Democratic Security Diamond," *Project Syndicate*, December 27, 2012, <https://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe?barrier=accesspaylog>.

<sup>17</sup> US Department of Defense, *Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region*, June 1, 2019, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>.

with international law; second, all parties should promote market liberalization; third, promote inclusive and open economic integration; fourth, ensure freedom of navigation and overflight; fifth, U.S. involvement in regional security and economic affairs remains critical; and sixth, China will play a role in deepening the regional order per the principles mentioned above.<sup>18</sup> In short, while both the United States and China are essential factors affecting Indo-Pacific security, the goal of Australian diplomacy is to maintain an international security environment.

Since 2007, when China first became Australia's largest trading nation, Australia has relied heavily on the Chinese market for its economic and trade development. In 2014, the relationship was upgraded to a 'comprehensive strategic partnership,' and in 2015, the China-Australia Free Trade Agreement came into force and joined the China-led Asian Infrastructure Investment Bank (AIIB). Australia was optimistic about its relationship with Australia and China at the time. However, because China operates a "sharp power" over Australia, it has attempted to influence the Australian government's decisions, but in June 2018, the Australian government passed the National Security Legislation Amendment Act in response to China's "silent invasion" of Australia.<sup>19</sup> Then, following the COVID-19 outbreak in late 2019, Australia insisted in April 2020 that Beijing should conduct a full investigation into the source of the pneumonia virus. As a result, the relationship deteriorated, reaching a new low since diplomatic relations in 1972.

For Australia, China is an important trading market and diplomatic force in the Indo-Pacific region. Australian diplomacy places great importance on maintaining a region of freedom, openness, and coexistence, as Australia's prosperity, security, and international security environment are interdependent. Despite past friction between the United States and China, Australia does not take sides in its diplomacy to compromise its economic and trade interests. In 2021, following the deterioration of diplomatic relations between Australia and China and building on the close diplomatic cooperation between the United States and Australia,

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<sup>18</sup> Department of Foreign Affairs and Trade of Australian Government, *2017 Foreign Policy White Paper*, p. 38.

<sup>19</sup> Clive Hamilton with Alex Joske, *Silent Invasion: China's Influence in Australia* (London: Hardie Grant Books, 2018).

Australia had strengthened its diplomatic cooperation with Japan and India under the Quadrilateral Security Dialogue. However, it has also expanded its outreach to other like-minded countries in the Indo-Pacific, such as Taiwan. Australia's efforts to strengthen diplomatic multilateralism in the Indo-Pacific strategic framework and the issues to be addressed (e.g., anti-counterfeiting, counterterrorism, maritime security, democratic values, infrastructure, cybersecurity, humanitarian relief, disaster preparedness, global epidemic, climate change, among others, raised at the U.S.-sponsored Quadrilateral Security Dialogue Summit on February 18, 2021)<sup>20</sup> are consistent with Biden's ongoing promotion of international multilateralism.

On September 25, 2021, Biden hosted the Quadripartite Security Dialogue Leaders Summit at the White House. Although the leaders of the four countries did not mention the threat of China and Taiwan Strait security during this meeting but focused on profound and pragmatic cooperation on COVID-19, climate change, emerging technologies, and cyber security, the Quadrilateral Security Dialogue has grown in influence on regional security. It has almost become a "security conference" for the U.S. to promote the Indo-Pacific strategy.<sup>21</sup> In the future, Australia and the U.S. diplomatic alliance will play a more cooperative role in the Indo-Pacific strategic framework and the Quadrilateral Security Dialogue.

#### **IV. Australia's Strategic Actions in the Indo-Pacific Region**

On the premise of strengthening Australia's security in its home territory and internal space, Prime Minister Scott J. Morrison announced on July 1, 2020, the 2020 Defense Strategic Update<sup>22</sup> and the 2020 Force Structure Plan.<sup>23</sup> To further

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<sup>20</sup> "Japan-Australia-India-U.S. Foreign Ministers' Telephone Meeting," *Ministry of Foreign Affairs of Japan*, February 18, 2021, [https://www.mofa.go.jp/press/release/press3e\\_000172.html](https://www.mofa.go.jp/press/release/press3e_000172.html).

<sup>21</sup> Lin Sen, "The Increasing Influence of the 'Sifang' Mechanism does not Rule out the Possibility of Becoming a Military Alliance in the Future," *Voice of America Cantonese Network*, September 29, 2021, <https://www.voacantonese.com/a/US-china-quad-092821/6249364.html>.

<sup>22</sup> Australian Government, *2020 Defense Strategic Update* (Canberra: Department of Defense, 2020), <https://www1.defence.gov.au/about/publications/2020-defence-strategic-update>.

<sup>23</sup> Australian Government, *2020 Force Structure Plan* (Canberra: Department of Defense, 2020), [https://www.defence.gov.au/StrategicUpdate-2020/docs/2020\\_Force\\_Structure\\_Plan.pdf](https://www.defence.gov.au/StrategicUpdate-2020/docs/2020_Force_Structure_Plan.pdf).

strengthen Indo-Pacific security and enhance military interoperability between the U.S., Japan, India, and Australia, Australia participated in the U.S.-led Joint Naval Exercise Malabar-21 (August 26-29, 2021) last year, which is a significant step in strengthening the Quadrilateral Security Dialogue.<sup>24</sup> In addition, to build a credible/effective deterrence defense force, Australia will invest \$270 billion in long-range anti-ship missiles from the United States. It will also invest in developing polar sonic weapons systems with ranges of several thousand kilometers. In addition, Australia will upgrade its military bases in northern Australia and continue to conduct surveillance and patrol missions in the North Indian Ocean and the South China Sea.<sup>25</sup> At present, Australia's strategic vision for strengthening the security of North Australia and the strategic inner arc is as follows:

### **1. Building a Naval Port in Darwin**

As China has confirmed its intention to spend \$200 million to build a sizeable multipurpose fishing port in Daru, a town south of Baniu, China's assistance in building infrastructure there is believed to have a military purpose, thus raising concerns in terms of regional security.<sup>26</sup> Moreover, Darwin in the Northern Territory of Australia is located near the sea lanes of the Straits of Malacca, Sunda, and Lombok, and the port is Australia's key gateway to the Indo-Pacific region. Therefore, Australia plans to build a multipurpose deepwater port at Glyde Point, approximately 40 kilometers northeast of Darwin, for military or commercial use and the U.S. Marine Corps and large amphibious warships. In addition, the U.S. and Australia have decided to build a joint military port on Manus Island in New Zealand to counteract Chinese military actions in the region.<sup>27</sup>

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<sup>24</sup> Sarah Zheng, "China Holds Naval Drills Ahead of US-led Quad Exercise off the Coast of Guam," *South China Morning Post*, August 24, 2021, <https://www.scmp.com/news/china/military/article/3146192/china-holds-naval-drills-ahead-us-led-quad-exercise-coast-guam>.

<sup>25</sup> Australian Government, *2020 Defense Strategic Update* (Canberra: Department of Defense, 2020), p.12.

<sup>26</sup> Zhai Sijia and Yang Shengru, "China's Construction of a Large Fishing Port in PNG Raises Concerns," *Central News Agency*, December 15, 2020, <https://www.cna.com.tw/news/aopl/202012150271.aspx>.

<sup>27</sup> Stephen Dziedzic, "US to Partner with Australia, Papua New Guinea on Manus Island Naval Base," *ABC News*, November 17, 2018, <https://www.abc.net.au/news/2018-11-17/us-to-partner-with-australia-and-png-on-manus-island-naval-base/10507658>.

## 2. Upgrading the Military Bases in the Northern Territory

On February 21, 2020, Prime Minister Morrison announced a \$1.1 billion upgrade to RAAF Base Tindal, about 300 kilometers south of Darwin in the Northern Territory, with the bulk of the funding to be spent on expanding the runway length for Australian KC-30A multi-role refueling aircraft or U.S. B-52 tactical bombers. Other funds will be used to build a new terminal building, fuel storage facilities, and other critical infrastructure.<sup>28</sup> To expand U.S.-Australian military cooperation, Australia announced in April 2021 that it would invest \$747 million to upgrade four military bases in the Northern Territory, including Robertson Barracks, Kangaroo Flats Training Area (KFTA), and the U.S. Air Force Base Tindal. These base upgrades will also allow the Australian Army to conduct closer joint training exercises with the U.S. Marine Corps in Australia.<sup>29</sup> For example, the Talisman Sabre, a joint U.S.-Australian military exercise.

## 3. Procurement of Long-range Strategic Strafing Bombers

Australia's Department of Defense has been intensely interested in acquiring from the United States the B-21 Raider, a long-range tactical bomber with a range of about 12,000 kilometers, which is being developed by the U.S. Air Force and Northrop Grumman. The B-21 Raider, built by the U.S. Air Force in conjunction with Northrop Grumman, can carry conventional and nuclear weapons.<sup>30</sup> While Australia's B-21 Raider acquisition is still under discussion, if the U.S. is willing to sell it to Australia under the Australia-U.S. military alliance, Australia will be able to make up for its lack of long-range strike capability in the air force, as well as extend its strategic defensive reach beyond the Australian mainland to the First Island Chain. In addition, Australia will also develop nuclear-powered submarines under the "Australia-UK-U.S. Security Partnership" framework to extend the cruising and striking range.

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<sup>28</sup> Paul Dibb, "How Australia Can Deter China," *The Strategist*, March 12, 2020, <https://www.aspistrategist.org.au/how-australia-can-deter-china/>.

<sup>29</sup> Flynn, "Australia to Spend A\$747m on Upgrade of Northern Military Base," *RFI*, April 28, 2021, [https://www.rfi.fr/cn/Asia/20210428-Australia-Military-upgrades-will-cost-A\\$700-million-to-A\\$4.7-billion](https://www.rfi.fr/cn/Asia/20210428-Australia-Military-upgrades-will-cost-A$700-million-to-A$4.7-billion).

<sup>30</sup> Paul Dibb, *op cit*.

#### 4. Acquisition of New Types and Development of New Missiles

On February 7, 2020, the United States announced that it had agreed to sell, and Australia would purchase 200 AGM-158C Long Range Anti-Ship Missile (LRASM) from the United States, worth approximately A\$1.4 billion, with a range of up to 930 kilometers. It can be mounted on the F/A-18 Hornet and F-35A fighters.<sup>31</sup>

In addition, the Southern Cross Integrated Flight Research Experiment (SCIFiRE), a 15-year project signed on November 30, 2020, attempts to jointly develop an air-launched, very-sonic weapon to enhance the Royal Australian Air Force's capabilities.<sup>32</sup> In the future, Australia also plans to procure from the United States the latest land-based Tomahawk cruise missiles, boost-glide anti-ship missiles, hypersonic cruise missiles. The Chinese government has also developed the Pershing III intermediate-range anti-ship ballistic missiles.<sup>33</sup> Because these missile systems have a range of about 1,000 to 3,000 kilometers, Australia can effectively consolidate the "inner arc" and compress the threat of Chinese military expansion into the South Pacific.

## V. Conclusion

Basically, since the Biden administration, the U.S. strategic planning for the Indo-Pacific has continued to follow the approach of the former Trump administration. However, it seems to be more assertive towards China, and more emphasis has been placed on multilateral diplomatic and military actions to counterbalance China's diplomatic challenges and military threats to the Western Pacific. Since Xi Jinping took power, China has been expanding its military power in the Indo-Pacific region, unilaterally changing the international order,

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<sup>31</sup> Paul Dibb, *ibid.*

<sup>32</sup> Wang Guanglei, "Australia and U.S. Jointly Develop Air-launched Episonic Missile to Counter Russian 'China,'" *Youth Daily*, December 2, 2020, <https://www.ydn.com.tw/news/newsInsidePage?chapterID=1293902>.

<sup>33</sup> Paul Dibb, "How Australia Can Deter China," *The Strategist*, March 12, 2020, <https://www.aspirategist.org.au/how-australia-can-deter-china/>.

and operating “war-wolf diplomacy” and “sharp power” around the world, which has caused many democracies around the world to resent and choose to align themselves with the U.S. Indo-Pacific strategy in terms of security orientation, even though the lure of China’s vast economic and trade markets remains. In addition, the U.S. Indo-Pacific strategic framework, the defense of island chains in the Western Pacific has become increasingly important to ensure a free and open Indo-Pacific. The U.S. and Australia share the same view on the direction of regional security. Because Australia is a crucial country in the South Pacific region, its geography not only straddles two oceans but also is located in the southern part of the second island chain, which can be said to be an essential strategic high ground to counterbalance China’s expansion into Southeast Asia and the South Pacific in terms of geostrategy. Finally, the South Pacific region is Australia’s backdoor and the backyard of the United States. Therefore, if Australia can play an excellent diplomatic role in the Indo-Pacific strategic framework to unite the South Pacific island countries and support the construction of the South Pacific countries with like-minded democracies, this will help resist the invasion of Chinese influence in the South Pacific.



# Chapter 10

## North Korea's Reactivated Nuclear Weapons Program

Jung-Ming Chang\*

### I. Introduction

The situation in North Korea in 2021 has two differences and one continuation from 2020. The first difference is that the President of the United States is replaced with Joe Biden. Trump's presidency has made no real contribution to North Korea's abolition of nuclear weapons development, except for three meetings with North Korean leader Kim Jong-un. Moreover, when Biden took office, North Korea gradually increased tensions with U.S. diplomacy in the first half of 2021, as a review of North Korea's policy had yet to be released. The second difference is that the floods in 2021 will cause a crisis in food production in North Korea, resulting in a wave of flights from North Korea. A continuation refers to the novel coronavirus pneumonia (COVID-19). It has been rampant since 2019 and is not expected to subside significantly by 2021. In order to prevent COVID-19 from entering North Korea, North Korea has closed its borders and conducted a self-imposed blockade that is more thorough than the United Nations economic sanctions.

### II. North Korea's Nuclear Weapons Development

North Korea displayed a submarine-launched ballistic missile at a military

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parade in January 2021 but did not test-fire the missile. Since the parade was held before President Joe Biden's inauguration, drawing the Biden administration's attention should be its primary purpose. Further, North Korea's failure to progress nuclear weapons development should be the main reason. North Korea's past behavior has usually been to test-fire and then announce that the missiles have been successfully test-fired and that they are nuclear warhead capable. However, in 2020, North Korea held a night parade, except for the display of the 22-wheeled truck and the "Mars-15" (Hwasong-15) intercontinental ballistic missile, the relevant information of the missile disappeared and has not been reported. Therefore, it is reasonable to suspect that the missile demonstrated in 2020 is a prototype that has not yet been successfully developed. By 2021, the missile has not yet broken through the development bottleneck. Therefore, North Korea has neither test-fired nor publicized it nor intimidated neighboring countries.

### **1. North Korea's Refusal to Communicate**

Two incidents in North Korea in January 2021 are worth noting. First, North Korean leader Kim Jong-un told the Labor Party's National Convention on January 5 that while strengthening the threat of nuclear weapons, he must also do his best to build the most powerful military possible. Kim Jong-un also said that the nature of the U.S. and its basic policy of hostility toward North Korea would never change, no matter who is in charge of the U.S. president. In addition, Kim Jong-un has identified the United States as North Korea's greatest enemy and an obstacle to innovation.<sup>1</sup> Second, on January 15, as Biden was about to take office, North Korea held a military parade. Among the weapons on display, the most notable was the Pukguksong-5 submarine-launched ballistic missile, which the Korean Central News Agency (KCNA) even called "the most potent weapon in the world."<sup>2</sup>

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<sup>1</sup> "Kim Jong-un: US is North Korea's 'biggest enemy'," *Deutsche Welle*, January 9, 2021, <https://p.dw.com/p/3n9ine>; "Incumbent Kim Jong-un Vows to Strengthen Nuclear Weapons Development," *Central News Agency*, January 13, 2021, <https://www.cna.com.tw/news/firstnews/202101130052.aspx>.

<sup>2</sup> Jiang Yuzhen, "North Korea's Military Parade Showcases Submarine-launched Ballistic Missiles, Shouting to Biden with a Strong Military Attitude," *China Times News*, January 15, 2021, <https://www.chinatimes.com/real-timenews/20210115004722-260417?chdtv>.

However, the missile has not been tested, and North Korea has not claimed success in its development, so its effectiveness is questionable.

President Biden, who took office on January 20, has not immediately taken a position in North Korea. White House Press Secretary Jen Psaki said at a January 22 press conference, “President Biden believes, without question, that North Korea’s nuclear ballistic missiles and other proliferation-related activities pose a serious threat to world peace and security and undermine the nuclear non-proliferation establishment. Our core interest, like that of Japan, remains to deter North Korea.”<sup>3</sup> Then, from March 16-18, Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin attended “2+2 talks” with Japan’s foreign and defense chiefs, followed by a visit to South Korea and participation in another “2+2 talks”. The purpose of these two meetings was to reaffirm the U.S. security commitment to its two allies in Northeast Asia to maintain stability, security, and prosperity in the Indo-Pacific region and around the world.<sup>4</sup>

North Korean Vice Minister of Labor Kim Yo-jong, speaking through the official North Korean newspaper Rodong Sinmun on March 16, said she had been informed of the South Korean authorities’ aggressive war drills against North Korea that began on March 8, warning that it would be difficult for the two Koreas to return to the “spring of three years ago.” Kim stressed that “if the U.S. wants to sleep soundly for the next four years, it would be better not to create a situation where it cannot sleep in the first place”.<sup>5</sup>

In fact, since mid-February, the U.S. has tried unsuccessfully to contact North Korea through various channels, such as phone calls, emails, and even through third countries. North Korean Deputy Foreign Minister Choe Son-hui, attending a working meeting between North Korea and the United States in Singapore on March 18, said that the main reason for the failure of these approaches is that North

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<sup>3</sup> “Press Briefing by Press Secretary Jen Psaki and National Economic Director Brian Deese,” *The White House*, January 22, 2021, <https://www.whitehouse.gov/briefing-room/press-briefings/2021/01/22/press-briefing-by-press-secretary-jen-psaki-and-national-economic-director-brian-deese/>.

<sup>4</sup> “Secretary Blinken’s Travel to Tokyo and Seoul,” *U.S. Department of State*, March 10, 2021, <https://www.state.gov/secretary-blinkens-travel-to-tokyo-and-seoul/>.

<sup>5</sup> Wu Yingfan, “Kim Yo-jung Fires Again, I can’t Read the United States, Choke on Biden First,” *Zhongshi News Network*, March 16, 2021, <https://www.chinatimes.com/realtimenews/20210316001227-260408?chdtv>.

Korea believes that these U.S. “cheap tricks” are simply a way to stall for time and gain public support.<sup>6</sup>

## 2. Restart of Nuclear Facilities and Missile Test Launch

On March 1, 2021, Rafael Mariano Grossi, director of the International Atomic Energy Agency (IAEA), said to the General Council that no enriched uranium production had been detected at Yongbyon in North Korea but some movement had been detected at Kangson. Grossi added that although there is no sign that the 5-megawatt nuclear reactor is operating, the steam plant at the radioactive chemical laboratory shows signs of operation.<sup>7</sup> This means North Korea is not communicating with the U.S. but is beginning to raise tensions.

On March 25, North Korea test-fired two tactical guided weapons, successfully hitting a target 370 miles away in the Sea of Japan. It has been about a year since North Korea’s last missile test.<sup>8</sup> According to a report in the South Korean newspaper JoongAng Daily, the test launch was the second in 2021, with the first one occurring on January 22.<sup>9</sup> The timing of the test launch was similar to last year’s, but some observers thought it was a review North Korea’s protest due to the recent joint visit of Blinken and Austin to Japan and South Korea, as well as the U.S. North Korea policy review. Biden warned that if North Korea continued to test-fire missiles to escalate the situation, the U.S. would respond accordingly.<sup>10</sup>

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<sup>6</sup> “North Korea Says U.S. Uses ‘Cheap Tricks’ to Reach North Korea for Dialogue with U.S. as a ‘Waste of Time,’” *Voice of America Cantonese*, March 18, 2021, <https://www.voacantonese.com/a/North-Korea-says-US-initiates-to-contact-is-cheap-trick-20210318/5819618.html>.

<sup>7</sup> “IAEA Director General’s Introductory Statement to the Board of Governors,” *IAEA*, March 1, 2021, <https://www.iaea.org/iaea-director-generals-introductory-statement-to-the-board-of-governors-1-march-2021>.

<sup>8</sup> Alexander Smith, “Kim Jong Un and North Korea Make a Splash for Biden with Ballistic Missiles,” *NBC News*, March 26, 2021, <https://www.nbcnews.com/news/world/north-korea-makes-splash-biden-ballistic-missile-salvo-n1262130>. *Yonhap News Agency* pointed out that North Korea launched a cruise missile on March 21, please see “North Korea Test-fired a Long-range Cruise Missile, which Accurately Hit a Target 1,500 kilometers Away! Range Covers Most of Japan,” *Wind Media*, September 13, 2021, <https://www.storm.mg/article/3936440>.

<sup>9</sup> Quoted in Yang Mingwei, “Rise of Rivalry: U.S.-DPRK Restart Dialogue Looming,” *China Times*, March 26, 2021, <https://www.chinatimes.com/amp/realtimenews/20210326000672-261601>.

<sup>10</sup> Joshua Gallu and David Wainer, “Biden Warns North Korea of ‘Responses’ to More Missile Tests,” *Bloomberg*, March 26, 2021, <https://www.bloomberg.com/news/articles/2021-03-25/biden-warns-north-korea-of-responses-to-more-missile-tests>.

On April 28, Biden told a joint congressional meeting that he described North Korea and Iran's nuclear programs as a "serious threat" and pledged to work with allies to respond through diplomacy and severe deterrence. On April 30, White House Press Secretary Psaki said in an informal meeting with reporters aboard U.S. Air Force One that a policy review of North Korea had been completed. The U.S. government will take a "calibrated, practical approach, keeping an open mind and exploring diplomatic approaches with North Korea to make real progress to enhance the security of the U.S., its allies, and the garrison."<sup>11</sup>

The North Koreans also responded. On May 2, North Korean Foreign Minister Kwon Jong-gun warned the U.S. that if Washington continues to respond to U.S.-North Korea relations with outdated policies derived from Cold War thinking and perspectives, the U.S. will face "a severe crisis in the near future that will be more difficult to control."<sup>12</sup>

### 3. Dialogue and Confrontation: A Two-pronged Strategy

On June 15, 2021, Kim Jong-un told the third plenary session of the 8<sup>th</sup> Central Committee of the North Korean Labor Party that a strategy of dialogue and confrontation should be prepared for the United States. U.S. Assistant to the President for National Security Affairs Jake Sullivan responded on June 20 that this was an exciting signal and that the U.S. was waiting for a clear signal from North Korea on whether to return to dialogue. North Korean Labor Party Vice Minister Kim Wooy-jung later said on June 22 that the U.S. had false expectations and that false expectations would lead to even greater disappointment.<sup>13</sup>

The U.S. remains hopeful that Kim Jong-un's proposed strategy for dialogue will be successful. Deputy Secretary of State Wendy Sherman met with South Korean Foreign Minister Chung Eui-yong and Unification Minister Lee In-young

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<sup>11</sup> "Press Gaggle by Press Secretary Jen Psaki Aboard Air Force One En Route Philadelphia, PA," *The White House*, April 30, 2021, <https://www.whitehouse.gov/briefing-room/press-briefings/2021/04/30/press-gaggle-by-press-secretary-jen-psaki-aboard-air-force-one-en-route-philadelphia-pa/>.

<sup>12</sup> "N. Korea Says Biden 'Made Big Blunder,' Warns of 'Worse Crisis Beyond Control,'" *Yonhap*, May 2, 2021, <https://en.yna.co.kr/view/AEN20210502000651325?section=nk/nk>.

<sup>13</sup> Fang Hua, "North Korea Responds to U.S. Kim Yo-jong's Claim that Washington is 'Wrong Expectations'," *Radio France Internationale*, June 22, 2021, <https://pse.is/3hz9cb>.

in Seoul on July 22. A statement following the meeting indicated that the two sides had decided to continue close consultations and bring North Korea back to the negotiating table.<sup>14</sup>

Regarding confrontation, the media cited the IAEA's published but not yet online 2021 report, which states that North Korea's nuclear reactor at Yongbyon began operating in early July 2021. Since on-site inspections were not possible, the start of operation of the reactor was inferred from the discharge of cooling water from the reactor in Yongbyon, mainly by satellite observation. In addition, satellite observation also reveals signs of mining and enrichment operations at the uranium mine and plant in Pyongsan County. The annual report states that there is no sign of operation at Ningbian from the beginning of December 2018 to the beginning of July 2021. The nuclear facility has a 5 MW reactor that can extract weapons-grade plutonium from nuclear waste.<sup>15</sup> In light of this, the U.S. response has been to engage in immediate dialogue with North Korea to achieve the complete denuclearization of the Korean Peninsula.<sup>16</sup>

#### **4. Further Military Parades and Ongoing Missile Test Firings**

On September 9, 2021, North Korea again held a military parade at night. Although the parade was titled a celebration of the 73<sup>rd</sup> anniversary of North Korea's political establishment, it was an attempt to mobilize workers and farmers to create an image of internal unity and economic development. Therefore, no new weapons were displayed at the parade. In addition, the orange entire protective gear anti-epidemic squad showed that the North Korean authorities are not taking

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<sup>14</sup> Liya, "US-ROK Officials: Will Push North Korea Back to the Negotiating Table," *VOA Cantonese*, July 23, 2021, <https://www.voacantonese.com/a/us-south-korea-north-korea-china-20210722/5976294.html>

<sup>15</sup> Francois Murphy and Josh Smith, "Renewed Activity at N. Korea Nuclear Reactor 'Deeply Troubling,' IAEA Says," *Reuters*, August 30, 2021, <https://www.reuters.com/world/asia-pacific/north-korea-appears-have-restart-ed-nuclear-reactor-iaea-says-2021-08-29/>.

<sup>16</sup> Doina Chiacu, "US Says North Korea Nuclear Report Shows 'Urgent Need for Dialogue'-Official," *Reuters*, August 30, 2021, <https://www.reuters.com/world/china/us-says-north-korea-nuclear-report-shows-urgent-need-dialogue-official-2021-08-30/>.

the COVID-19 pandemic lightly.<sup>17</sup> After six months of silence, North Korea has continued testing-fire missiles. On September 15, North Korea launched two more ballistic missiles from the central inland region into the eastern seas.<sup>18</sup> Notably, the missiles were test-fired from a train, demonstrating the mobility and accompanying survivability.<sup>19</sup>

### III. The Stability of the North Korean Regime

#### 1. Kim Jong-un's Health Situation is Again a Concern

Kim Jong-un's health is the key to the stability of the North Korean regime. If Kim Jong-un's health is not good, internal competition for the throne may occur, affecting North Korea's regime stability and even relations with neighboring countries. Kim Jong-un's appearances in 2021 increase considerably compared to 2020. However, the more appearances in 2021, the worse the health condition in 2020. Kim Jong-un's public appearances in 2021 include the National Convention of the Labor Party in January and the first plenary session of the 8<sup>th</sup> Central Committee of the Labor Party afterward, the second plenary session of the 8<sup>th</sup> Central Committee in February, several visits to the high-class residential complex in Punggyang from March to April, a performance in Pyongyang in May, the third plenary session of the 8<sup>th</sup> Central Committee in June, and the 8<sup>th</sup> Central Committee of the Labor Party in September and the third expansion meeting of the Political

<sup>17</sup> "North Korea's Military Parade does not Show New Weapons, Workers, Peasants and Red Guards Become Protagonists," *Yonhap News Agency*, September 10, 2021, <https://cb.yna.co.kr/gate/big5/cn.yna.co.kr/view/ACK20210910001000881?section=nk/index>.

<sup>18</sup> "Details: North Korea's Test Launch of Long-range Cruise Missile, Kim Jong-un did not Attend to Observe," *Yonhap News Agency*, September 13, 2021, <https://cb.yna.co.kr/gate/big5/cn.yna.co.kr/view/ACK20210913000400881?section=nk/index>; "Details: North Korea Launches 2 Ballistic Missiles into Eastern Sea," *Yonhap News Agency*, September 15, 2021, <https://cb.yna.co.kr/gate/big5/cn.yna.co.kr/view/ACK20210915002900881?section=nk/index>.

<sup>19</sup> "North Korea Unveils 'Railway Missile Regiment' South Korean Experts: Higher Mobility and Survivability," *Liberty Times*, September 19, 2021, <https://news.ltn.com.tw/news/world/breakingnews/3676996>.

Bureau of the Eighth Central Committee of the Labor Party in September.<sup>20</sup>

Despite Kim Jong-un's frequent appearances in 2021, there are still concerns about his health. For example, Kim had stayed out of public eyes for 24 days in May. On June 4, 2021, Kim Jong-un's appearance at the third plenary session of the 8<sup>th</sup> Central Committee drew even more attention. In the image, Kim Jong-un's face was visibly slimmer, and it was speculated that his weight might have decreased by 10 to 20 kilograms from the original 140 kilograms.<sup>21</sup> In addition, on June 18, an image of Kim Jong-un was broadcast on North Korean Central Television, and his slimmer figure was also evident. The same news item includes a rare video clip of a Pyongyang citizen worrying about Kim Jong-un's health condition.<sup>22</sup> In addition, from Kim Jong-un's public appearances from July 24 to 29, a green mark appeared on the back of his head, and an OK bandage was also shown on the same area, raising concerns about Kim Jong-un's health situation again.<sup>23</sup>

## 2. Kim Yo-jung's Political Status is Uncertain

Compared to last year, when Kim Jong-un was in poor health, his sister Kim Yo-jung repeatedly spoke out, seemingly indicating her sudden rise in political status. The main observation is that Kim was formerly the first vice minister of the North Korean Labor Party, but when she spoke in January 2021, she was only a vice minister of the North Korean Labor Party. In other words, Kim's former position as chief vice-minister is no longer available. In addition, in January 2021,

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<sup>20</sup> Wang Peihua, "Bloody Leader → Slimming Oppa! Kim Jong-un's 'Recent Photo Directly Smaller' Chin Shocked Foreign Media: North Korea Has Concussion," *Zhongtian GOTV*, August 22, 2021, <https://gotv.ctitv.com.tw/2021/08/1860594.htm>; "Kim Jong-un chairs Workers' Party Politburo meeting to stress epidemic prevention and control," *Yonhap News Agency*, September 3, 2021, <https://cb.yna.co.kr/gate/big5/cn.yna.co.kr/view/ACK20210903000500881?section=nk/index>.

<sup>21</sup> Hyung-Jin Kim and Kim Tong-Hyung, "N Korea's Kim Looks Much Thinner, Causing Health Speculation," *Associated Press*, June 16, 2021, <https://apnews.com/article/coronavirus-pandemic-health-lifestyle-effd61316feab540d6eb1922935ba1e2>.

<sup>22</sup> Alistair Coleman, "North Korea: Kim Jong-un Weight Loss Remark Aired on State TV," *BBC News*, June 28, 2021, <https://www.bbc.com/news/world-asia-57634593>.

<sup>23</sup> Jennifer Hassan, "Kim Jong Un's Mysterious Head Bandage Fuels Further Speculation about His Health," *The Washington Post*, August 3, 2021, <https://www.washingtonpost.com/world/2021/08/03/kim-jong-un-bandage-health-rumors/>.

the North Korean Labor Party added a first secretary, who is considered the second in command in North Korea, second only to Kim Jong-un. However, although the post of the first secretary was created, it was not immediately filled.<sup>24</sup> In light of Kim's reduced political status, it seems that she has no chance to be the first secretary of the Labor Party.

Combining the cases in 2020 and 2021 that Kim spoke publicly, it is found that she frequently did so when there were speculations on her brother's health condition in 2020. The situation remains the same in 2021. If Kim Jong-un's health had been on red in June and July 2021, Kim and Jong warned as early as March 2021 that relations between the two Koreas would not return to the "spring of three years ago." Thus, although Kim's title is declining rather than rising in 2021, her political status does not seem to be related to her title, judging from the frequency and force of her speeches.

#### **IV. The Challenges Posed by North Korea and the Response of Related Countries**

North Korea's reluctance to abandon nuclear weapons development and its continued missile tests are the most significant security challenges to regional countries from the past to the present. In addition, North Korea is experiencing flooding and a significant reduction in food production, which may lead to a possible exodus as an additional challenge for regional countries. The following is a summary:

##### **1. Security Threats**

After Biden took office, he changed the diplomatic strategy of former President Trump to deal with international issues alone and instead joined forces with allies to deal with them. For example, during Biden's visit to Europe, the seven major

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<sup>24</sup> Zhang Yousheng, "The First Secretary of the North Korean Labor Party, Only Jin Zhengne," *UDN*, August 2, 2021, <https://udn.com/news/story/6809/5502867>.

industrialized nations issued a joint statement on June 13 urging North Korea to denuclearize the Korean Peninsula and welcome the U.S. diplomatic approach to the North Korean nuclear issue.<sup>25</sup> The next day, the North Atlantic Treaty Organization (NATO) also issued a joint statement calling on North Korea to denuclearize the Korean Peninsula in accordance with the principles of Complete, Verifiable, Irreversible, Denuclearization.<sup>26</sup> These are all part of the Biden administration's efforts to unite allies to address international security threats.

In addition to its allies in Europe, the U.S. needs to strengthen its alliance with South Korea in response to the security threats posed by North Korea. On August 2, Kim called on South Korea to stop the joint military exercises, stressing that the exercises would damage the prospects for improved relations between the two Koreas. This is the second time that Kim has spoken on the joint military exercises after she warned in March that it would be difficult for the two Koreas to return to the "spring of three years ago." The Ministry of Defense said, however, it would continue to consult with the U.S. on the joint exercises. U.S. Defense Department spokesman John Kirby also said that all matters related to the joint exercises are decided through close consultation between South Korea and the U.S. and that South Korea has not requested that the joint exercises be canceled.<sup>27</sup>

On August 10, when rehearsals for the joint military exercises began, Kim said that the U.S.-South Korean military exercises were exacerbating the unstable situation on the Korean Peninsula and that North Korea would develop a preemptive strike capability in response to the growing military threat from the United States.<sup>28</sup>

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<sup>25</sup> "G7 Calls for 'Complete' Denuclearization of Korean Peninsula," *The Korea Times*, June 14, 2021, [https://www.koreatimes.co.kr/www/nation/2021/06/120\\_310433.html](https://www.koreatimes.co.kr/www/nation/2021/06/120_310433.html).

<sup>26</sup> Ji-Sun Choi, "NATO Calls for 'Complete, Verifiable, Irreversible' Denuclearization of N. Korea," *Dong-A Ilbo*, June 16, 2021, <https://www.donga.com/en/article/all/20210616/2725315/1/NATO-calls-for-complete-verifiable-irreversible-denuclearization-of-N-Korea>.

<sup>27</sup> "Kim Yo Jong Calls for End to South Korea-U.S. Joint Military Exercise, U.S. Department of Defense: South Korea Never Asked for Cancellation," *Liberty Times*, August 4, 2021 <https://news.ltn.com.tw/news/world/breakingnews/3626577>.

<sup>28</sup> "Dissatisfied with U.S.-South Korea Joint Military Exercise with Reduced Scale, Pyongyang Says to Improve Pre-emptive Strike Capability," *Voice of America Cantonese*, August 10, 2021, <https://www.voacantonese.com/a/north-korea-warning-20210810/5997194.html>.

## 2. Floods and Food Shortages may Generate Refugee Flows

In response to the delayed outbreak of COVID-19, North Korea closed its borders in January 2020 in an effort to keep the epidemic out of the country, making it more severe than the economic sanctions imposed by the United Nations.<sup>29</sup> As a result, North Korea has claimed to have no confirmed cases in the country so far.<sup>30</sup> According to the World Health Organization (WHO), from January 3, 2020, to September 3, 2021, there were zero confirmed cases of COVID-19 in North Korea.<sup>31</sup> North Korea's average trade and smuggling channels, on which it relied, have been almost completely cut off.<sup>32</sup> Hence, North Korea's economic situation has deteriorated into a severe recession, and diplomats from many countries have been unable to maintain primary, everyday living conditions in North Korea and have had to return to their home countries.<sup>33</sup> If this was the case for diplomats in North Korea, imagine what average citizens are going through.

Crop failures have exacerbated the long-standing food shortage in North Korea due to floods. According to a report released by the United Nations Food and Agriculture Organization (FAO) on June 14, 2021, North Korea is expected to have a shortage of 535,000 tons of rice, 407,000 tons of corn, and 106,000 tons of barley between November 2020 and October 2021. The shortage was estimated to reach 858,000 tons, despite the possibility of importing 205,000 tons of grain.<sup>34</sup> On June 15, Kim Jong-un said at the opening day of the third plenary session of the

<sup>29</sup> Ken Dilanian, Carol E. Lee and Dan De Luce, "North Korea Has More Nuclear Weapons than Ever. What Should Biden Do?," *NBC News*, April 17, 2021, <https://www.nbcnews.com/politics/national-security/north-korea-has-more-nuclear-weapons-ever-what-should-biden-n1263983>.

<sup>30</sup> According to the testimony of a former North Korean defector, the reason North Korea has had no confirmed cases of COVID-19 is that there are simply no tests available. See Hyung-Jin Kim, "North Korean Defectors, Experts Question Zero Virus Claim," *Associated Press*, October 20, 2020, <https://apnews.com/article/ap-top-news-north-korea-international-news-seoul-virus-outbreak-c94f460ca06cb5e9fe18d74dd4515750>.

<sup>31</sup> See WHO webpage, <https://covid19.who.int/region/searo/country/kp>.

<sup>32</sup> Robert King, "Number of North Korean Defectors Drops to Lowest Level in Two Decades," *Center for Strategic & International Studies*, January 27, 2021, <https://www.csis.org/analysis/number-north-korean-defectors-drops-lowest-level-two-decades>.

<sup>33</sup> "North Korea: Russian Diplomats Leave by Hand-pushed Trolley," *BBC News*, February 26, 2021, <https://www.bbc.com/news/world-asia-56206033>.

<sup>34</sup> "The Democratic People's Republic of Korea Food Supply and Demand Outlook in 2020/21 (November/ October)," *Food and Agriculture Organization of the United Nations*, June 14, 2021, <https://reliefweb.int/sites/reliefweb.int/files/resources/cb5146en.pdf>.

8<sup>th</sup> Central Committee of the North Korean Labor Party that the Party and State “attach the highest priority to agricultural production and urgently need to secure food production with the efforts of the whole Party and the whole country.”<sup>35</sup> In August 2021, North Korea began to release grain reserves.<sup>36</sup> On September 2, Kim Jong-un told the third expansion meeting of the Political Bureau of the 8<sup>th</sup> Central Committee of the North Korean Labor Party that all efforts would be mobilized to ensure adequate agricultural supplies and equipment for the transportation, processing, and distribution of grain.<sup>37</sup> All of these demonstrate the importance Kim Jong-un attaches to the issue of food security while confirming the FAO’s forecast of a food shortage. The UN-affiliated World Food Programme (WFP) is reported to have distributed food to about 140,000 people in North Korea in early September 2021.<sup>38</sup>

If the food shortage problem is not improved, it could lead to a refugee wave. Such a situation occurred in 1995-1998 when North Koreans fled due to a prolonged food shortage, and the current shortage could lead to another wave of refugees. As a result, the North Korean people and the North Korean military may defect. Moreover, since the troops guarding the border have the advantage of location, it is easier for them to flee to China. In view of this, the Pyongyang authorities have been building additional facilities such as wire fences and walls along the North Korean border with China since August 2020. In order to prevent the defection of soldiers on border-containment duty, middle-ranking military officers were sent to supervise the construction of the blockade.<sup>39</sup> North Korea is worried about people fleeing to China, and China is worried about North Koreans crossing the border illegally. Therefore, to prevent North Koreans from crossing

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<sup>35</sup> “Kim Jong-un Admits Severe Food Shortages: Deciphering Four Basic Problems of North Korea’s Food Shortage,” *BBC Chinese*, June 20, 2021, <https://www.bbc.com/zhongwen/trad/world-57526363>.

<sup>36</sup> “North Korea Feeds War Rations to the Poor after Heatwave Ravages Food Supply,” *ABC News*, August 4, 2021, <https://www.abc.net.au/news/2021-08-04/north-korea-feeds-war-rations-to-the-poor/100347846>.

<sup>37</sup> “North Korea Holds Politburo Meeting Calls for Strengthening Epidemic Prevention,” *Wen Wei Po*, September 3, 2021, <https://www.wenweipo.com/a/202109/03/AP613184f2e4b08d3407d7fde5.html>.

<sup>38</sup> “The 140,000 Flood Victims in North Korea Have Food to Eat! WFP to Help,” *Storm Media*, September 14, 2021, <https://www.storm.mg/article/166126>.

<sup>39</sup> “Severe Food Shortage, North Korean Defense Soldiers Defect, China-DPRK Border Builds Wall,” *UDN*, August 28, 2021, [https://udn.com/news/story/6809/5705732?from=udn-catelistnews\\_ch2](https://udn.com/news/story/6809/5705732?from=udn-catelistnews_ch2).

the border illegally, China has maintained its existing troops stationed at the border and its second-line police force and installed a large number of surveillance devices in dead-end areas as a precautionary measure.<sup>40</sup> Although China and North Korea have had a blood alliance in the past, and the two countries have had to strengthen their bilateral relationship in the current international environment, China has taken every precaution against North Koreans crossing the border illegally.

## V. Conclusion

At the beginning of 2021, Kim Jong-un may have already made a pre-emptive plan to fight against the U.S. and interrupt the communication channel with the U.S. to force the U.S. to give in first. The reluctance of Biden to adopt the wishy-washy approach of former President Trump after taking office has caused tensions to continue to rise in North Korea. The March and August reports of the International Atomic Energy Commission show signs of a resurgence in North Korea's nuclear weapons development. While the border closure policy to prevent the entry of COVID-19 into North Korea has already caused the economy to decline, the food shortage caused by the floods could lead to a wave of refugees. Although Kim Jong-un announced on June 15 that he would adopt a two-pronged strategy of confrontation and dialogue with the U.S., there has been no progress on the dialogue yet. Since that declaration, North Korea has conducted another missile test launch since September 11 to increase pressure on the U.S., indicating that Kim Jong-un continues to take a confrontational approach. Kim Jong-un's thinking is that the more tension he creates externally, the more he can gain from the dialogue at that time. Although it is not known how long North Korea's increasing posture will last, Kim Jong-un's announcement at the third expansion meeting of the Political Bureau of the 8<sup>th</sup> Central Committee of the Labor Party on September 2 to mobilize all forces to ensure sufficient agricultural supplies and

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<sup>40</sup> "Brothers will settle accounts! China Deploys Great Wall of Surveillance to Defend North Korean Refugees," *Liberty Times*, July 21, 2021, <https://news.ltn.com.tw/news/world/breakingnews/3610960>.

equipment, and to do an excellent job of transporting, processing and distributing food, as well as holding a night parade to unite workers and farmers on September 9, indicate that Kim Jong-un is not willing to show weakness. The question is, how far will Kim Jong-un raise tensions? If the U.S. decides not to respond to the rising tensions without North Korea taking the lead in abandoning its nuclear weapons development, North Korea's current economic, flooding, and food problems will not be enough to sustain a foreign war, but it will most likely adopt a strategy of gradual brinkmanship. Test firing of missiles is the way it has always been done and will most likely be one of the options to be adopted in the future. Either by increasing the frequency of test firings or moving the target area closer to South Korea or Japan to create more pressure to gain a more significant advantage in the dialogue with the United States.

# Chapter 11

## Regional Security Developments in the Taiwan Strait

Chih-Tung Chung\*

### I. Introduction

Under the leadership of Xi Jinping, China's authoritarian and dictatorial leftist ideology is becoming more and more apparent, coupled with the external expansionism under the manipulation of national consciousness, which has made the international community more alert to the threat of China, while the recognition and sympathy for a free and democratic Taiwan are increasing. Cross-strait relations continue to be tense and confrontational due to the polarized perceptions of state sovereignty between the two governments. Beijing is actively using the "gray zone conflict" to exert pressure on Taiwan, and Chinese military aircraft and warships are harassing Taiwan in numerous ways and with record frequency. In the face of China's increasingly assertive stance and the threat of force, Taiwan continues to maintain its "status quo" cross-strait policy on the one hand and actively demonstrates its determination to defend itself as a pivotal deterrent to China's advances on the other. To this end, this chapter intends to analyze the critical developments of Taiwan's regional security in 2021 in terms of Taiwan's mindset of seeking stability under the cross-strait impasse, Taiwan's response under the new Biden administration, and the rising internationalization of Taiwan Strait issues.

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## II. Taiwan's Approach to Stability under the Cross-Strait Impasse

### 1. The Wisdom of “Not Giving in When Under Pressure and Not Taking Any Risks When Receiving Support”

Since taking office in 2016, President Tsai Ing-wen has proposed a consistent and stable cross-strait policy of “maintaining the status quo. In her New Year’s address in 2021, President Tsai emphasized the importance of stability in the Taiwan Strait, saying, “From the perspective of global strategy, Taiwan’s position is becoming increasingly important. The stability of cross-strait relations is now not only an issue of concern for the two sides of the Taiwan Strait, but also an issue of concern for the stability of the Indo-Pacific region, and it is already a global focus.” As long as Beijing is willing to resolve confrontations and improve cross-strait relations, we are willing to work together to facilitate meaningful dialogue in accordance with the principle of reciprocity and dignity.”<sup>1</sup> This echoes President Tsai’s call in his 2020 presidential inaugural address to implement the overall national strategic goal of “maintaining the status quo of peace and stability in the Taiwan Strait” through the four principles of “peace, reciprocity, democracy, and dialogue.”

China has continued to harass and provoke Taiwan with its military aircraft and warships in the air and sea space surrounding Taiwan in 2021. Such harassment has become a political tool for Beijing to express its dissatisfaction with Taiwan and the international community’s involvement in Taiwan Strait issues. In this regard, President Tsai Ing-wen said in a senior national security meeting that civil and military threats against Taiwan would not help cross-strait relations and would not be conducive to the status quo of peace and stability in the Indo-Pacific region, and that cross-strait peace is not a unilateral matter for Taiwan, and that the key is now in the hands of China. She also took this opportunity to point out that in cross-strait relations, “Taiwan’s consistent position is not to yield when under pressure

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<sup>1</sup> “Full Text of President Tsai’s 2021 New Year’s Speech,” *Central News Agency*, January 1, 2021, <https://reurl.cc/GmMvMD>.

and not to take any risks when receiving support”.<sup>2</sup> This “non-submission” and “non-adventurous” stance reflects President Tsai Ing-wen’s low-profile, pragmatic mindset of “maintaining the status quo” and avoiding active conflict with China in the face of Beijing’s threats and intimidation. Internally, it echoes the mainstream social consensus of maintaining the cross-strait status quo, and externally, it responds to the international community’s demand for peace and stability in the Taiwan Strait.

## 2. Continued Tensions Across the Taiwan Strait Under Sovereignty Disputes

In response to President Tsai Ing-wen’s “principled and non-aggressive” policy to maintain the cross-strait status quo, the Mainland’s Taiwan Affairs Office severely criticized this as revealing “the nature of the DPP authorities to seek Taiwan’s independence” and described Taiwan’s statement that it “expects the people on both sides of the Taiwan Strait to gradually resume normal and orderly exchanges to increase understanding and reduce misunderstanding” as a “deceptive trick.” The government does not recognize the “1992 Consensus,” a one-China principle, and has been colluding with external forces to provoke “independence.”<sup>3</sup> In her written speech at the “2021 Taiwan National Conference—Normalizing Taiwan and Sustaining Peace in the Asia-Pacific Region,” President Tsai Ing-wen said that the government’s consistent position on safeguarding Taiwan’s sovereignty is “sovereignty over Taiwan, no concessions; democracy and freedom, no retreat.” Vice President Lai Ching-teh said in his speech that Taiwan is a sovereign and independent country and that it is an indisputable fact that Taiwan and China are not subordinate to each other and that only Taiwanese people have the right to decide the future of Taiwan.<sup>4</sup> In response, the Taiwan Affairs Office said, “The DPP authorities have manipulated and publicized the issue of seeking

<sup>2</sup> “President Holds High-level National Security Meeting, Reaffirms that the Key to Cross-strait Peace Lies in China,” *Central News Agency*, February 9 2021, <https://reurl.cc/VEyoa6>.

<sup>3</sup> “Beijing Criticizes Tsai Ing-wen’s New Year’s Speech to Reveal Taiwan’s Independence,” *Radio France Internationale*, January 2, 2021, <https://reurl.cc/W3jgxD>.

<sup>4</sup> “Taiwan at Home and Abroad is Meeting Today, Tsai Ing-wen: Territorial Sovereignty will not Yield an Inch,” *Liberty Times*, April 25, 2021, <https://reurl.cc/mLeQD1>; “President: Only Taiwanese Have the Right to the Future of Taiwan Decision,” *Central Radio*, April 25, 2021, <https://reurl.cc/ZGYoeW>.

‘independence,’ and have been spreading the rhetoric of ‘Taiwan independence,’ further exposing their hypocritical goodwill and the true nature of ‘Taiwan independence,’ and tearing down their so-called ‘easing cross-strait relations’.”<sup>5</sup> Obviously, the governments on both sides of the Taiwan Strait have polarized perceptions of state sovereignty, making cross-strait relations continue to be tense and confrontational.

2021 marks the centenary of the founding of the Communist Party of China (CPC). In a nationalistic atmosphere, Xi Jinping declared that the Chinese nation has “stood up, grown rich and grown strong” under the theme of “realizing the great rejuvenation of the Chinese nation.” “Anyone who tries to do so will be bloodied in front of the Great Wall of Steel built with flesh and blood of more than 1.4 billion Chinese people.” The company’s primary goal is to “provide the best possible solution to the problem of Taiwan and to realize the complete unification of the motherland. ... is determined to crush any attempt of ‘Taiwan independence’ and create a better future for national rejuvenation. However, no one should underestimate the strong determination, firm will and powerful ability of the Chinese people to defend the sovereignty and territorial integrity of their country.”<sup>6</sup> A statistical analysis of Xi’s 165 speeches shows that although the number of times he talks about Taiwan has decreased, he talks less and less about “peaceful development” and more and more about “crushing Taiwan’s independence.” The proportion of usage of threatening terms towards Taiwan has increased significantly.<sup>7</sup> This also indicates that Beijing’s posture toward Taiwan is becoming more and more assertive.

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<sup>5</sup> “Taiwan Affairs Office of the State Council: DPP Authorities Tore off the Mask of So-called ‘Ease of Cross-strait Relations’,” *Taiwan Affairs Office of the State Council*, Taiwan Affairs Office of the Central Committee of the Communist Party of China, April 26, 2021, <https://reurl.cc/Q90gG5>.

<sup>6</sup> “Xi Jinping: Speech at the Celebration of the Centennial of the Communist Party of China,” *Xinhua Net*, July 1, 2021, <https://reurl.cc/839mqd>.

<sup>7</sup> “Peaceful Development” Fewer and Less, ‘Smashing Taiwan Independence’ More and More: Full Analysis of Xi Jinping’s 165 Speeches,” *Central News Agency*, July 1, 2021, <https://reurl.cc/IR3OzY>.

### 3. Taiwan Shows its Determination to Defend Itself Against China's Extreme Pressure

In addition to the naked threat of “armed reunification,” Beijing’s primary mode has been through the so-called gray zone conflict in recent years. Its thinking and approach are to regard conflict as a necessary means to achieve specific political goals, attempting to exert pressure and make a statement on preset targets through a combination of “hard power,” “soft power,” and “sharp power” without triggering war. The recent harassment of Taiwan by Beijing’s military aircraft and warships is a case in point. In the first few days of President Joseph Biden’s presidency, Chinese warplanes harassed Taiwan’s surrounding airspace on a massive scale. On April 12, a record number of 25 aircraft harassed Taiwan’s southwest Air Defense Identification Zone (ADIZ), the tenth consecutive day of harassment since April 3.<sup>8</sup> In the face of China’s aggressive approach, the Chinese government has been able to use its “sharp power” to exert pressure and make a stand against pre-determined targets. In the face of China’s aggressive military threats, John Aquilino, the new commander of the U.S. Indo-Pacific Command, warned that Beijing’s annexation of Taiwan is a top priority and that the threat of Chinese annexation of Taiwan by force is “closer than imagined.”<sup>9</sup>

In 2020, there were 380 military aircraft intruding into Taiwan’s air defense identification zone for harassment, but as of September 26, 2021, the number of Chinese military sorties has exceeded an unprecedented 500. However, China’s provocative pressure on Taiwan continues to rise, with Beijing sending an unprecedented 38, 39, 16, 56, and 1 military aircraft to disturb Taiwan for five consecutive days since October 1, the National Day, setting a new record for

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<sup>8</sup> “The Number of 25 Aircrafts Harassing Taiwan’s Southwest Air Defense Identification Zone Hits a New High,” *Central News Agency*, April 21, 2021, <https://reurl.cc/W3pob7>.

<sup>9</sup> “U.S. Indo-Pacific Commander-in-Chief: China’s Threat of Invading Taiwan Is Urgent, It Should Be Deterred Quickly,” *Central News Agency*, March 24 2021, <https://reurl.cc/bX1oyr>.

a single day of disturbance.<sup>10</sup> In response, the U.S. State Department issued a statement condemning China's "provocative actions" that undermined regional stability. On October 4, the Japanese Maritime Self-Defense Force issued a press release confirming that the naval forces of the United States, Japan, the United Kingdom, Australia, the Netherlands, Canada, and New Zealand held joint military exercises in the waters southwest of Okinawa from October 2 to 3, intending to strengthen cooperation among allies and "realize a free and open Indo-Pacific region."<sup>11</sup> Xi Jinping took the opportunity to speak in a high profile about cross-strait unification at a conference commemorating the anniversary of the Xinhai Revolution on October 9, saying, "Realizing the unification of the motherland by peaceful means is most consistent with the interests of all compatriots, including those in Taiwan. He warned sternly that 'Taiwan independence' is the biggest obstacle to the unification of the motherland and a serious threat to national revitalization. Those who forget their motherland, betray the motherland, and split the country will never have a good end and will be spurned by the people and judged by history! The Taiwan issue is purely a domestic affair of China. No foreign interference is allowed."<sup>12</sup> In response, President Tsai Ing-wen made four insistencies in her National Day speech on October 10: "Insist on a free and democratic constitutional system, insist on the non-subordination of the Republic of China and the People's Republic of China, insist on the inviolability of sovereignty and annexation, and insist that the future of the Republic of China in Taiwan must follow the will of all Taiwanese people."<sup>13</sup> To unite the country and

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<sup>10</sup> "Over 500 Sorties Entered Airspace This Year, More than Last Year's Total," *Liberty Times*, September 26, 2021, <https://reurl.cc/MkNXoL>; "28 Airplanes Interfere with Taiwan and the U.S. Department of Defense: Destabilize and Increase Risk of Misjudgment," *China Central News Agency*, June 16, 2021, <https://reurl.cc/R0ao36>; Hong Zhezhen, "A Total of 38 Planes in One Day Disturbed Our Air Defense Attack Formation and Arrived off the East Coast of Our Country," *UDN*, October 2, 2021, <https://reurl.cc/GbXrdZ>; "The Air Situation in Our Southwest Airspace," *Ministry of National Defense of the Republic of China*, October 4, 2021, <https://reurl.cc/Kr37kM>.

<sup>11</sup> "Over 100 PLA Planes Interfere with Taiwan and Step on the Red Line. Japan and the United States Confirm the Six-nation Military Exercise at Sea," *Up Media*, October 4, 2021, <https://reurl.cc/GbK8my>.

<sup>12</sup> "Xi Jinping: Speech at the Commemoration of the 110th Anniversary of the 1911 Revolution," *China Communist Party News Network*, October 9, 2021, <https://reurl.cc/0xZApY>.

<sup>13</sup> "Consensus, Divergence, Unity and Observance of Taiwan: President Delivers National Day Speech," *Presidential Office of the Republic of China*, October 10, 2021, <https://reurl.cc/2oE1Ea>.

respond to Xi Jinping's intimidation of Taiwan.

As China's threat of force grows more reckless, President Tsai Ing-wen made it clear that Taiwan's determination to defend itself is the key to deterring China's advances. President Tsai emphasized that instead of considering whether foreigners should support us or whether China will take any action against us, "the real key lies in ourselves," that is, "whether we have the determination to defend ourselves and whether we are firm on the values of freedom and democracy," in order to make the international community feel that Taiwan is worthy of support.<sup>14</sup> This reflects President Tsai's national defense mindset of "strength is security". "Under the national defense mindset of President Tsai, the emphasis is on self-help and then help from others, and under the military strategy of "defense and defense, heavy deterrence," she is committed to building a national defense force that is both defensive and deterrent.

### III. Taiwan's Response under the Biden Administration

#### 1. Washington Continues to Deepen Taiwan-U.S. Relations Under the "Anti-China and Taiwan-friendly" Line of Approach

With "America's Place in the World," President Biden delivered his first foreign policy address at the State Department on February 4, 2021. In his first foreign policy address since taking office, he declared that "America is Back, Diplomacy is Back" (America is Back, Diplomacy is Back), emphasizing his strategic vision that "we will rebuild alliances, re-engage with the world, address the enormous challenges of the epidemic and global warming, and once again defend democracy and human rights around the world," while positioning China as "our most serious competitor."<sup>15</sup> In his March 3 Interim National Security Strategic Guidance, Biden criticized China for seeking unfair advantages, engaging in aggressive

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<sup>14</sup> "President Tsai: Whether Taiwanese are Determined to Defend Themselves is the Key to Deter the CCP's Rash Advance," *Central Radio*, May 5, 2021, <https://reurl.cc/O0xoZD>.

<sup>15</sup> "Remarks by President Biden on America's Place in the World," *The White House*, February 4, 2021, <https://reurl.cc/YOZ6nX>.

and coercive behavior, and undermining the core rules and values of an open and stable international system, while making clear his support for Taiwan, a leading democracy and a critical economic and security partner, in line with long-standing U.S. commitments.<sup>16</sup> Biden's negative characterization of China and positive support for Taiwan largely continue the previous Trump administration's primary "anti-China and Taiwan-friendly" line. Biden's negative characterization of China and his positive support for Taiwan largely continue the "anti-China and Taiwan-friendly" primary line of the previous Trump administration.

President Tsai Ing-wen believes that Taiwan-U.S. relations remain stable under the Biden administration and that existing bilateral cooperation and exchanges have continued without being affected by the change of regime in the United States. Furthermore, President Tsai said she noted that U.S. warships have repeatedly carried out freedom of navigation missions, demonstrating the apparent attitude of the United States toward challenges to the security status quo in the Indo-Pacific region. In addition to maintaining optimal bilateral communication between Taiwan and the United States, Taiwan must also continue to deepen its overall cooperation with the United States, especially in terms of strategic economic and trade dialogue.<sup>17</sup> On April 9, the Biden Administration announced the latest Guidelines for Relations with Taiwan, which aim to improve the various restrictions on Taiwan-U.S. exchanges in the past and promote more official interaction between Taiwan and the United States.<sup>18</sup> In response to Taiwan's continued efforts to strengthen the bilateral security partnership between Taiwan and the United States, the Biden Administration has proposed additional guidelines to facilitate the bilateral security partnership between Taiwan and the United States. In response to Taiwan's continued strengthening of its bilateral security partnership with the U.S., Beijing has positioned it as a so-called "reliance on the U.S. for independence" and criticized the U.S. for maliciously exaggerating the China threat

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<sup>16</sup> "Interim National Security Strategic Guidance," *The White House*, March 2021, <https://reurl.cc/noW0MI>.

<sup>17</sup> "President Holds High-level National Security Meeting, Reaffirms that the Key to Cross-strait Peace Lies in China," *Central News Agency*, February 9, 2021, <https://reurl.cc/VEyoa6>.

<sup>18</sup> Jiang Jinye, "U.S.-Taiwan Engagement Guidelines: U.S. Officials Visit Representative Office and Shuang Oak Park," *Central News Agency*, April 10, 2021, <https://reurl.cc/NZYmjQ>.

theory and continuing to send the wrong signal to the “Taiwan independence” forces.

## 2. Taipei Responded to the U.S.’s Balanced Cross-strait Policy by “Maintaining the Status Quo”

Foreign Secretary Joseph Wu said on April 7 that the United States had “clearly seen the danger of a possible Chinese attack on Taiwan” and that if a Chinese attack on Taiwan occurred, Taiwan would fight to the end to demonstrate Taiwan’s determination to defend itself.<sup>19</sup> The U.S. State Department subsequently emphasized that its commitment to Taiwan was “rock-solid” and was highly concerned about China’s continued coercive behavior toward Taiwan.<sup>20</sup> This has also raised concerns about whether the U.S. security commitment to Taiwan has changed from “strategic ambiguity” to “strategic clarity”. In response, Kurt Campbell, White House chief of Indo-Pacific affairs, said on July 6 how the U.S. could appropriately show respect and support for Taiwan while maintaining its long-standing “one-China policy,” stating that “there is a very delicate ‘dangerous balance’ between the two, but it is a balance that must be maintained. The United States has a vital interest in maintaining peace and stability in the Taiwan Strait, and other countries recognize that this is also relevant to international stability.”<sup>21</sup>

Secretary of State Antony Blinken has said that the Biden administration does not want conflict with China and intends to start a new Cold War to contain China, but that Washington insists on maintaining a “rules-based international order” to compete with China.<sup>22</sup> Thus, the Biden administration, in an effort to maintain a “delicate and dangerous balance” in Taiwan Strait security, has reminded Taiwan that North America “does not support Taiwan independence” while warning

<sup>19</sup> “Taiwan Says It will Fight to the End if China Invades Taiwan,” *Voice of America Chinese*, April 7, 2021, <https://reurl.cc/ZGYdrg>.

<sup>20</sup> “China’s Warships Disrupt Taiwan, US Reiterates Commitment to Taiwan,” *Central Radio*, April 8, 2021, <https://reurl.cc/3adA3X>.

<sup>21</sup> “Kurt Campbell: U.S. and China Can Co-Exist Peacefully,” *The Asia Society*, July 6, 2021, <https://reurl.cc/KAE8Le>.

<sup>22</sup> David Shepardson, “Blinken Says China Acting ‘More Aggressively Abroad’ - ‘60 Minutes’ Interview,” *Reuters*, May 4, 2021, <https://reurl.cc/WE28jx>.

Beijing of the “catastrophic” nature of Taiwan’s crimes and opposed any unilateral change in the U.S. perception of the Taiwan Strait by either side. President Tsai Ing-wen’s policy of maintaining the status quo in the Taiwan Strait by emphasizing “no provocation, no submission, and no surprises” is clearly in line with the U.S. cross-strait policy. In contrast, Beijing’s nationalistic and overconfident attempts to unilaterally change the status quo in the Taiwan Strait are tantamount to challenging the bottom line of the U.S. “rule-based international order”. As a result, the U.S. commitment to Taiwan’s security is becoming more transparent as China’s threats against Taiwan increase.

Nevertheless, it is worth noting that President Biden said on October 5 that he had a telephone conversation with Xi Jinping about Taiwan and that both sides agreed to abide by the Taiwan agreement.<sup>23</sup> Since the so-called Taiwan agreement is the first new U.S.-China agreement of its kind, it will have a profound impact on trilateral relations between the United States, China, and Taiwan, so what exactly is it? Is it just the U.S. “one-China policy,” as the Washington government claims? All of this needs to be further clarified.

### **3. Taiwan Becomes the Unexpected Recipient of the U.S. Withdrawal From Afghanistan**

The U.S.-led 20-year-long “War on Terror” in Afghanistan has seen an avalanche of defeat for the Afghan government forces with the withdrawal of U.S. troops, and the Taliban (Taliban, meaning Bachelor of God) took full control of Afghanistan after the complete withdrawal of U.S. troops on August 31, bringing an end to the U.S. war in Afghanistan. The chaos and humanitarian crisis caused by the hasty withdrawal of U.S. and allied forces, the deadliest suicide terror attack at Kabul Airport since 2011, and the power vacuum left in Afghanistan for rival Russia to take advantage of are all ironies to President Biden’s claim that “America is back”. Moreover, the disastrous withdrawal of U.S. troops from Afghanistan has exacerbated the negative international image of the United States, forcing U.S.

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<sup>23</sup> “What is the ‘Taiwan Agreement’? U.S. State Department: The U.S. ‘One China Policy’,” *Liberty Times*, October 8, 2021, <https://reurl.cc/V54AxR>.

allies to re-examine Washington's commitment to its security and dealing a severe blow to Biden's attempts to rebuild America's credibility as a global leader.

In the context of the U.S.-China rivalry, China has not surprisingly taken advantage of the U.S. defeat in Afghanistan to manipulate the "U.S.-scepticism theory" to undermine U.S. credibility in maintaining peace and stability in the Taiwan Strait, which has also raised questions about U.S. security commitments to Taiwan. At a White House press conference on August 17, National Security Advisor Jake Sullivan rejected the analogy between Afghanistan and Taiwan, saying that the two situations were very different, emphasizing that the U.S. commitment to its allies and partners has always been "sacrosanct" and that "we also believe our commitment to Taiwan and Israel is as strong as ever."<sup>24</sup> Then, in a surprise move, Biden made his first reference to the North Atlantic Treaty on Taiwan on August 19: "We have made a sacrosanct commitment to Article 5, that if there is an actual invasion or action against our NATO allies, we will respond. So did Japan, so did Korea, so did Taiwan."<sup>25</sup> U.S. polls show that more than half of Americans favor sending troops to defend Taiwan if China invades, and Biden justified ending the war in Afghanistan by focusing on new competitive threats such as China.<sup>26</sup> On the October 21 CNN News program, Biden was asked, "If China attacks Taiwan, will the United States defend Taiwan? He replied unequivocally, "Yes, we commit to doing that."<sup>27</sup> Although interpretations of Biden's and Sullivan's statements on Taiwan's security differ, it is clear that the Biden administration, in an effort to repair the damage to its international credibility caused by the war in Afghanistan, has taken an unprecedentedly clear stance on Taiwan's security in the Taiwan Strait, demonstrating a commitment to

<sup>24</sup> "Press Briefing by Press Secretary Jen Psaki and National Security Advisor Jake Sullivan," *The White House*, August 17, 2021, <https://reurl.cc/3avxg8>.

<sup>25</sup> "Full Transcript of ABC News' George Stephanopoulos' Interview with President Joe Biden," *ABC News*, August 19, 2021, <https://reurl.cc/ZGpyW3>.

<sup>26</sup> "Averse to China's Threat, More than Half of Americans Support Sending Troops to Defend Taiwan," *Voice of America Chinese*, August 27, 2021, <https://reurl.cc/ZGR7MW>; "Dennis Strongly Defends Ending 20 Years of U.S. War in Afghanistan," *VOA Chinese*, September 1, 2021, <https://reurl.cc/eEjg8j>.

<sup>27</sup> "Make it Clear! Biden: America Will Defend Taiwan 'We Promised It'," *Liberty Times*, October 22, 2021, <https://reurl.cc/82DR7o>.

ensure that the U.S. will not be deterred from attacking Taiwan. This also makes Taiwan an unexpected beneficiary of the Biden administration's intense diplomacy to rebuild international credibility after the war in Afghanistan.

## **IV. The Internationalization of Taiwan Strait Issues**

### **1. For the First Time, the G7 Summit Included Taiwan Strait Security in Its Statement**

In 2021, the international community's concern for security in the Taiwan Strait had made a breakthrough in response to concerns about the substantial rise of communist China and unhealthy competition between the United States and China. After reaffirming the importance of maintaining a free and open Indo-Pacific region, the Communiqué included for the first time the Taiwan Strait issue, which is considered taboo by China, emphasizing the importance of peace and stability in the Taiwan Strait and encouraging the peaceful resolution of cross-strait issues; it also expressed grave concern about the situation in the East and South China Seas and strongly opposed any unilateral attempts to change the regional status quo and increase regional tensions.<sup>28</sup> This also put the Taiwan Strait internationalization issue on the global stage. In the subsequent Brussels Summit Communiqué, the North Atlantic Treaty Organization (NATO) characterized China's "overt ambitions and overconfident behavior as a systemic challenge to the rules-based international order and alliance security-related areas." It will strengthen political dialogue and practical cooperation with its traditional partners in the Asia-Pacific region (Australia, Japan, New Zealand, South Korea) to promote mutual cooperative security and support for a rules-based international order.<sup>29</sup>

The Biden administration's diplomacy-centered global strategic layout attempts to link Europe and the Indo-Pacific's two strategic blocks and actively introduces the Indo-Pacific security issues, including the Taiwan Strait, to its European allies.

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<sup>28</sup> "Carbis Bay G7 Summit Communiqué," *The White House*, June 13, 2021, <https://reurl.cc/XWvx73>.

<sup>29</sup> "Brussels Summit Communiqué," *North Atlantic Treaty Organization*, June 14, 2021, <https://reurl.cc/4a2D63>.

In this regard, European countries have also taken concrete actions to demonstrate their concern for the Indo-Pacific and Taiwan. In July, the British HMS Queen Elizabeth strike group sailed into the Indo-Pacific South China Sea, including a U.S. Navy destroyer and a Dutch frigate, and conducted joint military exercises with U.S. and Japanese allies. The British Chief of Naval Staff Tony Radakin said that the Taiwan Strait is clearly “part of the free and open Indo-Pacific.” Then the UK sent the HMS Richmond, one of the ships in the strike group, through the Taiwan Strait on September 27, the first time since the UK left the EU, which can be seen as a statement of its action to maintain peace and stability in the Taiwan Strait as the core of the newly established “Australia-UK-U.S. Security Partnership” (AUKUS) on September 15.<sup>30</sup> Germany sent the cruiser Bayern to the Indo-Pacific region in August, which will be the first visit of German warships to the Western Pacific since 2002.<sup>31</sup> The first joint statement of the 2+2 Ministerial Consultation between France and Australia on August 31 made special mention of Taiwan, not only emphasizing the importance of peace and stability in the Taiwan Strait. The first joint statement of the French-Australian “2+2 Ministerial Consultation” on August 31 made special mention of Taiwan, emphasizing the importance of peace and stability in the Taiwan Strait and expressing explicit support for Taiwan’s participation in international organizations.<sup>32</sup> The European Parliament’s Foreign Affairs Committee overwhelmingly adopted the draft report on “EU-Taiwan Relations and Cooperation” on September 1, despite strong opposition from China. On September 1, the Foreign Affairs Committee of the European Parliament overwhelmingly adopted the draft report on EU-Taiwan

<sup>30</sup> “British aircraft carrier HMS Queen Elizabeth sails into Asia to cross South China Sea,” *BBC Chinese*, July 27, 2021, <https://reurl.cc/qgMbKy>; “British Frigate Passes Taiwan Strait Aircraft Carrier Strike Group Deepens Indo-Pacific,” *Central News Agency*, September 27, 2021, <https://reurl.cc/2oZA8r>; “Rare! British Warship Crossing the Taiwan Strait,” *Voice of America Cantonese*, September 27, 2021, <https://reurl.cc/OkAaMX>; Zhong Zhidong, “The Implications of the Establishment of the Australia-UK-US Tripartite Security Partnership (AUKUS),” *Defense and Security Bi-Weekly Report*, Issue 38, October 1, 2021, <https://reurl.cc/KrbzEm>.

<sup>31</sup> “German Ship Departs for Asia German Defense Minister: Ensuring Unrestricted Maritime Navigation,” *Central News Agency*, August 2, 2021, <https://reurl.cc/MANmWp>.

<sup>32</sup> “The Establishment of the 2+2 Structure of the French and Australian Heads of State, the Statement Mentions Support for Taiwan and Participation in the International Community,” *Central News Agency*, August 31, 2021, <https://reurl.cc/ogObpj>.

Relations and Cooperation and, following Lithuania, proposed to rename the “European Economic and Trade Office” as the “EU Office in Taiwan.”<sup>33</sup> On September 16, the EU adopted the Joint Communication on the EU Strategy for cooperation in the Indo-Pacific region (JCOMM), calling Taiwan a “partner” and stating that it will strengthen cooperation with Taiwan in five areas, including geopolitical tensions, strengthening the resilience of the semiconductor supply chain, deepening trade and investment relations, maritime governance, and promoting data security protection systems, and emphasizing that it will enhance strategic exchanges with the Indo-Pacific region.<sup>34</sup> As European countries expand their strategic vision to the Indo-Pacific region, peace and stability in the Taiwan Strait are limited to cross-strait relations and will gradually become an emerging focus in the international arena.

## **2. Key Neighboring Country Japan Raises Its Voice on Taiwan Strait Security**

China’s aggressive external expansionism has led to rising tensions between China and Japan, and in terms of East Asia’s geostrategy, there is a chilling security relationship between Taiwan and its immediate neighbor Japan. Japan’s Deputy Defense Minister Nakayama Yasuhide pointed out that Japan and Taiwan are geographically close to each other and Taiwan is “not a friend, but a brother, a family member, and a much closer relationship. If something happens to Taiwan, it will directly affect Okinawa Prefecture in Japan,” and emphasized that Taiwan is a “red line” and that democratic countries must protect each other.<sup>35</sup> In a speech in Tokyo on July 6, 2021, Japanese Deputy Prime Minister and Finance Minister Taro Aso said that a Chinese invasion of Taiwan could be considered an “existential crisis” as defined in the Security Protection Act (hereinafter referred to as the “Security Act”). Japan would be able to exercise its right to collective

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<sup>33</sup> “Taiwan-EU-China Relations Turbulent: October Plenary Session of the European Parliament May Trigger a Lithuanian Model Domino Effect,” *BBC Chinese*, September 3, 2021, <https://reurl.cc/vg3mgo>.

<sup>34</sup> Lu Yixuan, “The EU-Indo-Pacific Strategy Communiqué Mentions Taiwan as a ‘Partner’ Five Times,” *Liberty Times*, September 17, 2021, <https://reurl.cc/KrxzNR>.

<sup>35</sup> “China’s Threat Increases, Japan’s Deputy Defense Minister: Taiwan is a Brother and Family Must Protect,” *Central News Agency*, June 29, 2021, <https://reurl.cc/pgQbVe>.

self-defense on a limited basis because “when something happens to Taiwan, it is entirely possible that Japan could be put in an existential crisis, and the United States and Japan must work together to defend Taiwan.”<sup>36</sup> The public statements by critical Japanese officials on Taiwan reflect the first joint U.S.-Japan position on “the importance of peace and stability in the Taiwan Strait” since the Japan-U.S. 2+2 meeting in March 2021. Reflecting the U.S.-Japan joint position on “the importance of peace and stability in the Taiwan Strait” for the first time since the Japan-U.S. 2+2 meeting in March 2021, and the subsequent statement at the U.S.-Japan summit emphasizing “the importance of peace and stability in the Taiwan Strait.”<sup>37</sup> In addition to supporting Taiwan’s accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the newly elected Japanese Prime Minister, Fumio Kishida, has also expressed his support for Taiwan’s accession to the CPTPP and making dealing with China a top priority for his government, he believes that Taiwan is at the forefront of the fight against authoritarianism and that Japan should actively work with the United States to update and prepare for the Taiwan Strait conflict in a precautionary manner.<sup>38</sup>

Japan’s high-profile attention to the importance of security in the Taiwan Strait is based on three key factors: Japan’s perception of the Chinese threat, its response to U.S.-China competitive tensions, and its reassessment of Taiwan’s geostrategic value. Japan should already be aware that under China’s expanding nationalism when Taiwan is not protected, the Diaoyutai Islands will be even more precarious, and China may even challenge Japan’s sovereignty over the Ryukyu Islands, not to mention that after China’s annexation of Taiwan, entire East Asia and even the Indo-Pacific geostrategy will have a radical negative impact on Japan. As China’s ambition to annex Taiwan rises and the U.S. commitment to Taiwan’s security becomes more apparent, Taiwan has become a litmus test for the U.S.-Japan

<sup>36</sup> “Deputy Minister of Japan: If China Invades Taiwan, the US and Japan Should Defend Taiwan Together,” *Central News Agency*, July 5, 2021, <https://reurl.cc/2r5AyX>.

<sup>37</sup> “The US-Japan 2+2 Meeting Approved: The Taiwan Strait Must Be Stable,” *Liberty Times*, March 17, 2021, <https://reurl.cc/vq9b21>; “The Similarities and Differences of the Taiwan Joint Statement are Mentioned Again Later,” *BBC Chinese*, April 18, 2021, <https://reurl.cc/MANmom>.

<sup>38</sup> “The Next Prime Minister will Do His Job! Fumio Kishida Supports Taiwan and does Not Evade,” *Central Radio*, September 29, 2021, <https://reurl.cc/oxQe3v>.

security alliance, and it will be difficult for Japan to stay out of it. Since the U.S. is unwilling to assume responsibility for maintaining peace and stability in the Taiwan Strait alone, and Japan does not have the ability or willingness to face the Chinese challenge alone, Tokyo is actively strengthening the U.S.-Japan security alliance on the one hand and working together to address the Chinese security threat in the Taiwan Strait through security cooperation mechanisms with its partners in the Indo-Pacific region and Europe on the other.

## V. Conclusion

Despite Beijing's strong opposition and suppression, the Taiwan issue is no longer confined to the cross-strait region, and Taiwan Strait security is a crucial area of the Indo-Pacific order. It is gradually becoming an emerging focus of global security. In addition to reflecting the importance of Taiwan's geostrategic location and the consistency of Taiwan's liberal democratic ideals and universal international values, Taiwan's pivotal role in the global industrial supply chain has also allowed Taiwan to strengthen its ties and cooperation with the international community through its economic and trade strategies. All of this, combined with the awakening to the threat of China, has forced the international community to re-examine the importance of peace and stability in the Taiwan Strait and has created a favorable strategic environment for the internationalization of the Taiwan Strait. In short, China, as the troublemaker of regional security, is the most critical driver of the internationalization of the Taiwan Strait issue. At the same time, Taiwan, which is being coerced and oppressed under Chinese expansionism, only precisely grasps the timing and pushes the boat forward in response to the situation, and appeals to the international community in a "fierce and aggressive" manner.

After the Biden administration took office, it continued its "anti-China and Taiwan-friendly" course. The chaotic end of the failed war in Afghanistan made Biden even more eager to rebuild America's international credibility. Therefore, deterring and countering possible Chinese military adventures in the Taiwan

Strait has become an essential part of the Biden administration's efforts to rebuild America's international credibility after the war in Afghanistan. President Tsai Ing-wen's wisdom in maintaining the status quo on both sides of the Taiwan Strait by "not giving in to pressure and not taking any risks when receiving support" has also helped Taiwan avoid international isolation. Taiwan is China's counterweight, but it is also China's soft underbelly, giving the international community an additional strategic option when countering China. As Taiwan is at the forefront of the fight against Chinese expansionism, the international community should reassess Taiwan's strategic value and essential role instead of negatively viewing Taiwan's impact on the regional security order.



# **PART THREE**

## **Significant Issues Affecting the Security of the Indo- Pacific Region**



# Chapter 12

## COVID-19 Pandemic and the Indo-Pacific Order

Che-Chuan Lee\*

### I. Introduction

Since the emergence of novel coronavirus pneumonia (COVID-19) in late 2019, the cumulative number of confirmed cases worldwide has exceeded 233 million by September 30, 2021, with more than 4.77 million deaths. This pandemic has had a tremendous economic and social impact on humanity, and there is no end in sight. Although vaccines have been introduced to strengthen human defenses against the virus and reduce severe illness and mortality rates, rapidly evolving viruses continue to threaten humanity. This chapter examines the impact of the outbreak and the adaptation of countries in the Indo-Pacific region since the end of 2020, the recovery or stagnation of the industry in each country, and the responses of countries since the outbreak and the introduction of vaccines, including the progress of vaccine procurement and vaccination. Finally, this paper compares the order of the Indo-Pacific region before the outbreak with the current situation in the region and looks into the possible future development direction of the Indo-Pacific region.

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## II. Countries in the Indo-Pacific Region under the COVID-19 Pandemic

Compared with the European, American, and Central and South American countries, the control of the COVID-19 pandemic in Asia was relatively good in 2020, but the situation changes significantly in 2021. Due to the rampant variant of the virus, Asian countries, with the exception of China, do not have their vaccine makers, and the pace of vaccination is significantly slower than in Europe and the United States. As of September 28, the vaccination rate per 100 population was still below the global average of 44.9% in many Indo-Pacific countries, including Thailand, Laos, Indonesia, Vietnam, the Philippines, and Myanmar (Figure 12-1). Malaysia and Thailand, which were relatively mild last year, have experienced severe outbreaks. Ten countries in the Indo-Pacific region have diagnosed more than one million people, including the United States, India, Russia, Indonesia, the Philippines, Malaysia, Japan, Bangladesh, Thailand, and Pakistan.<sup>1</sup>

### 1. Pandemic Conditions in the Indo-Pacific Countries

After vaccination began in late 2020, the number of new diagnoses and deaths in the United States gradually decreased, with the highest number of one-day diagnoses dropping from 400,000 in December 2020 to less than 10,000 in June 2021. The pandemic in India slowed down at the end of last year and the beginning of this year, but a new wave of outbreaks broke out in late March, and by early May, the number of confirmed cases exceeded 400,000 on a single day. In Indonesia, which has the highest number of confirmed cases in Southeast Asia in 2020, the strategy is to restart economic activities and start vaccination in January 2021, hoping to vaccinate 70% of the population within a year to achieve herd immunity. However, due to slow vaccine supply and delivery and the increased infectivity of the Delta virus, the pandemic did not slow down in Indonesia in 2021 and increased rapidly in late June, with more than 4 million confirmed cases by the

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<sup>1</sup> For information on the number of confirmed cases and deaths of COVID-19 reported by countries, see “Reported Cases and Deaths by Country or Territory,” *Worldometers*, <https://www.worldometers.info/coronavirus/>.

end of August.

The Philippines also hopes to achieve herd immunity by the end of 2021, but vaccination progress has been slow, with a rate of 22.7% per 100 population as of September 9. Daily confirmations have risen since March, surpassing 10,000 in a single day in April and then, after a slight slowdown, surpassing 18,000 in a single day at the end of August. In Malaysia, the outbreak continued to grow despite the procurement of multiple and large quantities of vaccines, with a wave of confirmed cases starting in May and surpassing 20,000 per day by the end of August. Thailand also ordered more than 130 million vaccines from China's Sinovac, BNT, AZ, and Moderna. However, the pandemic began to rise in April and peaked at 23,000 confirmed cases in a single day on August 13. Cambodia and Laos are the countries that received the most significant number of vaccine doses from China. Cambodia has a population of 3.803 million, and China has donated 2.2 million vaccine doses. As a result, Cambodia leads most Association of Southeast Asian Nations (ASEAN) countries in vaccination rate per 100 people (77.9% as of September 27).

In Vietnam, the number of confirmed cases per day mainly remained below ten until the end of April, but the outbreak deteriorated rapidly in July, reaching more than 10,000 cases per day by August, with the outbreak not yet under control. In Japan, the outbreak began to warm up in April, and a new wave of outbreaks emerged in late July, with the number of confirmed cases exceeding 25,000 per day on August 22. In South Korea, the outbreak was relatively stable, but the daily number of confirmed cases also exceeded 1,000 in July and over 2,000 in August. China had better control of the pandemic, with a moderate number of new confirmations, and continued to vaccinate people in all provinces and cities, reaching a rate of 76.2% per 100 people as of September 18.

Share of people who received at least one dose of COVID-19 vaccine, Sep 28, 2021



Total number of people who received at least one vaccine dose, divided by the total population of the country.

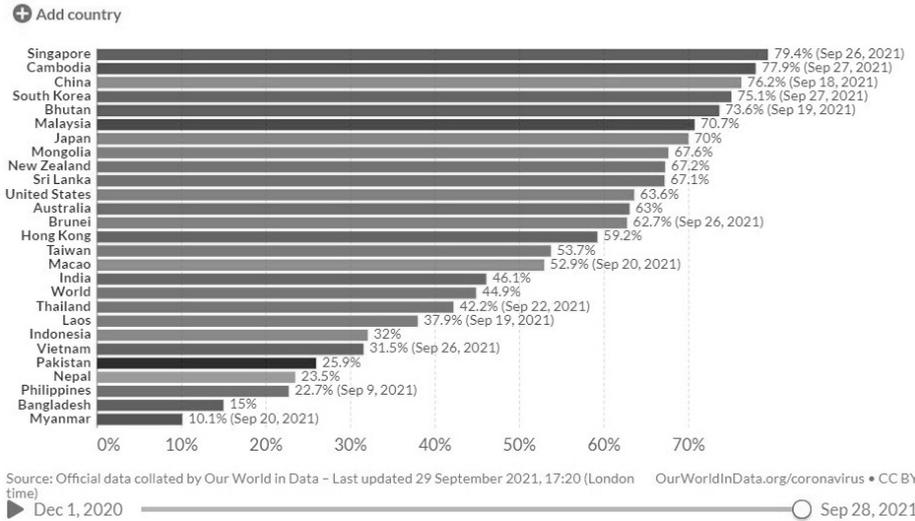


Figure 12-1 Share of People in the Indo-Pacific Countries Who Received at least One Dose of COVID-19 Vaccine, September 28, 2021

Source: Our World in Data as of September 29, 2021.

## 2. Economic Development in the Indo-Pacific Region

In 2021, the economies and trade of countries in the Indo-Pacific region continue to regain momentum. While vaccines are arriving and starting to be administered, most countries are still far from the goal of herd immunity. As many countries were hit by a new wave of Delta variant viruses in April and May, the Asian Development Bank’s Asian Development Outlook 2021 lowered its economic growth forecast for “Developing Asia,” a group of 45 developing countries in the Asia-Pacific region, from 7.3% in April 2021 to 7.2% in July and then to 7.1% in September. Economic growth in East Asia was revised upward from 7.4% to 7.6%. Growth in Southeast Asia is revised from 4.4% to 3.1% in 2021 due to the more severe epidemic in several countries. Inflation in Asia is generally moderate,

expected to be 2.2% in 2021.<sup>2</sup>

China's economic growth rate is estimated to remain at 8.1%. India's growth rate was reduced from 11% to 10% due to the epidemic's impact. South Korea's investment and export growth exceeded expectations, revised from 3.5% to 4% in 2021. Taiwan's growth rate for the first quarter of 2021 increased 8.9% year-over-year due to strong export demand, and investment growth was 9.1%, with GDP growth for 2021 revised upward from 4.6% to 6.2%. The U.S. economy is forecast to grow at a 6.0% rate, while Japan's growth rate has been reduced to 2.2% from 2.9% in April due to the epidemic's impact. Growth in Southeast Asian countries, which are more affected by the epidemic, is also revised downward. Indonesia was revised from 4.5% to 3.5%, and Malaysia was revised from 6.0% to 4.7%. As the outbreak worsens, Thailand and Vietnam have also seen their growth rates reduced from 3% and 6.7% to 0.8% and 3.8%, respectively. In Singapore, where the epidemic was better controlled, growth was revised upward from 6.0% to 6.3%.

Southeast Asia is second only to China as a global manufacturing powerhouse. According to the Federation of Korean Industries (FKI), China accounts for 31.2% of Asia's total trade as of 2019, while the six ASEAN member countries (Philippines, Indonesia, Vietnam, Thailand, Singapore, and Malaysia) have reached 30.8%. Moreover, between 2016 and 2020, global direct investment in the 10 ASEAN countries reached US\$731 billion, exceeding the US\$698.9 billion invested in China during the same period. As a result, ASEAN replaces China as the center of the global supply chain.<sup>3</sup> In early 2021, the strong rebound in demand in the global shipping market led to a severe supply shortage and port congestion. However, a new wave of infections caused by the Delta mutant virus forced many factories in Southeast Asia to shut down, impacting the global industry chain.

<sup>2</sup> "Asian Development Outlook 2021 Update," *Asian Development Bank*, September 2021, <https://reurl.cc/Q6bjN0>.

<sup>3</sup> See "South Korean Industry Group: ASEAN is Replacing China as Global Supply Chain Hub," *Liberty Times*, September 13, 2021, <https://reurl.cc/35NrzL>; Lisa & May, "ASEAN May be Replacing China as a Global Manufacturing Center," *Science and Technology Industry Information Room*, Science and Technology Policy Research and Information Center, National Academy of Experimental Research, August 26, 2021, <https://reurl.cc/q18EnD>.

### III. International Factors of the Indo-Pacific Pandemic

#### 1. COVAX Vaccine Structure

COVAX is one of the four pillars of the vaccine, diagnosis, treatment, and health system under the Access to COVID-19 Tools Accelerator (ACT-Accelerator), created by the World Health Organization and other organizations. Its mission is to provide equitable access to COVID-19 vaccines, especially to countries with lower income. In addition to WHO, COVAX is operated by the United Nations Children's Fund (UNICEF), the Global Alliance for Vaccines and Immunization (GAVI), and the Coalition for Epidemic Preparedness Innovations (CEPI). By early 2021, 192 countries and economies have joined COVAX, including 92 low- and middle-income countries and 100 self-funded countries/regions.

In December 2020, vaccination began across the United States. At that time, developed countries had purchased more than 10 billion vaccine doses in advance from major vaccine manufacturers. Without the help of international mechanisms, low-income countries may not receive vaccines until 2023 or 2024. However, thanks to the efforts of the COVAX mechanism, the first 600,000 doses of the AstraZeneca vaccine arrived in Ghana on February 24, 2021. This is a significant advance in the global public health governance system.

COVAX originally planned to distribute at least 2 billion doses of vaccine worldwide by the end of 2021, with 1.3 billion doses going to 92 low- and middle-income countries, enabling 20 percent of the world's population to be vaccinated. However, COVAX falls seriously behind schedule due to production delays at various vaccine plants, stockpiling in wealthy countries, and a severe epidemic in India, which was initially responsible for primary vaccine production. As of September 30, 2021, COVAX had delivered vaccines to 144 countries and regions worldwide, but only 559 million doses of vaccines had been delivered, an achievement rate of 27.95%, which is still far from the scheduled progress.<sup>4</sup>

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<sup>4</sup> COVID-19 Vaccine Deliveries, COVID-19 Vaccine Market Dashboard, UNICEF, <https://reurl.cc/jgG1WM>.

## 2. China and Russia's Vaccine Diplomacy

After obtaining the emergency use authorization, the COVID-19 vaccine was implemented in the United States and Europe. Although most authorized vaccines were developed and manufactured by U.S. and European manufacturers, only very limited vaccine doses were exported from Western countries between the end of 2020 and April 2021. The only exception is India's export of more than 60 million doses of the Covishield vaccine (the Indian version of the AZ vaccine), licensed by AstraZeneca. During this period, the international market saw mainly vaccines produced in China and Russia. This was also the "golden hour" of Russian and Chinese vaccine diplomacy.

### (1) China's vaccine diplomacy

The primary vaccines exported from China were those produced by Sinopharm and Sinovac. According to tracking statistics from Beijing-based Bridge Consulting, as of September 27, 2021, China had sold 1.284 billion vaccines abroad, donated 68.55 million doses of vaccines, and shipped 884 million doses of vaccines.<sup>5</sup> But for all the hype surrounding China's vaccine diplomacy, Beijing has donated only 5.33% of all the vaccines it exports. (see Table 12-1 for details).

Table 12-1 COVID-19 Vaccine Sold, Donated and Delivered by China to Major Regions

(millions)

	Asia Pacific	Latin America America	Europe	Africa	Total
Purchases	700.13	388.09	118.72	77.60	1,284.54
Donations	50.76	2	1.48	14.31	68.55
Total	750.89	390.09	120.20	91.91	1,353.09
Delivered	520.90	241.40	47.50	61.90	871.50
Delivery ratio	69.37%	61.88%	39.52%	67.35%	64.41%

Source: Author's calculations based on Bridge Consultant data (as of September 27, 2021).

<sup>5</sup> China COVID-19 Vaccine Tracker, Bridge Consulting, August 23, 2021, <https://reurl.cc/0j5Q1K>.

In terms of region, China's vaccine diplomacy has clear strategic considerations. Its main export regions are Asia and Central and South America, followed by Europe and Africa. A late April 2021 report by the Council on Foreign Relations (CFR), a U.S. think tank focused on international public health issues, also noted that 63 of the 65 countries to which China has committed to providing vaccines are participants in the Belt and Road Initiative. Indonesia and Cambodia are the largest exporters and donors of vaccines from China on a country-by-country basis. Cambodia is almost like a Chinese vassal country, while Indonesia is the largest country in Southeast Asia with the most severe epidemic, which shows China's strategic consideration. In addition to bilateral vaccine deals and aid, Beijing is also trying to use the vaccine initiative to further strengthen China's leadership in the region. on June 23; Wang Yi hosted a high-level video conference on international cooperation in the Asia-Pacific region, where 29 countries, including all 10 ASEAN member countries, participated in the "Belt and Road Vaccine Partnership Initiative."<sup>6</sup>

## (2) *Russia's Vaccine Diplomacy*

Russia's Sputnik V vaccine was developed by the Russian Direct Investment Fund (RDIF) in cooperation with the Gamaleya National Research Center of Epidemiology and Microbiology in Moscow. According to Statista, Sputnik V vaccines are mainly exported to Central Asia, Eastern Europe, and some countries in Latin America; sales and partnerships in the Indo-Pacific region are limited to China, India, South Korea, Nepal, and Vietnam, with minor impact on the regional order.

Despite the fact that Sputnik V has been authorized for emergency use in 70 countries worldwide, production is not progressing smoothly. The company's customers in the Indo-Pacific region include India for 250 million doses, Nepal for 25 million doses, and Vietnam for 20 million doses. In addition, Russia has licensed the production of the Sputnik V vaccine in South Korea, India, and China,

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<sup>6</sup> "The Belt and Road Vaccine Partnership Initiative," *Ministry of Foreign Affairs of the People's Republic of China*, June 24, 2021, <https://reurl.cc/VEKraA>.

with a production volume of 3,345 million doses (see Table 12-2).

Table 12-2 Sales and Production of Russian Vaccines in the Indo-Pacific Region  
(millions)

Country	Purchased Volume	Authorized Production Quantity
China	-	260
India	250	1,152
Nepal	25	-
South Korea	-	1,850
Vietnam	20	

### 3. Vaccine Countermeasures in the Quadrilateral Security Dialogue

India owns the world's largest vaccine manufacturer, Serum Institute of India Pvt. Ltd., which has been a significant supplier under the COVAX vaccine regime.<sup>7</sup> In March 2021, in the Quadrilateral Security Dialogue (QUAD) summit between the United States, Japan, India, and Australia, New Delhi also committed to providing 1 billion doses of vaccine in the Indo-Pacific region by the end of 2022. However, the QUAD's original strategy of countering Chinese and Russian vaccine diplomacy was discontinued when the outbreak worsened in March in India and the Indian Ministry of External Affairs announced that it would stop exporting vaccines and prioritize its supply to India.

After the U.S. epidemic slowed in April, President Biden announced on May 17 that 80 million doses of vaccine would be provided to foreign countries at no cost (25% directly from the U.S. and 75% distributed through COVAX) and without any strings attached. According to the U.S. release, of the first 25 million doses, 7 million doses were donated to Asia (including the Pacific Islands) through COVAX, and an additional 6 million doses were delivered by the U.S. itself to regional priority countries and partners countries, including South Korea and India. Of the second 55 million doses, 16 million were donated to Asia through COVAX, and the U.S. delivered 14 million doses to regional priority countries and

<sup>7</sup> Serum Institute of India (SII), licensed by Oxford University and AstraZeneca to manufacture Covishield vaccine (the Indian version of AZ vaccine) for export from January 2021.

partner countries, including Bangladesh, Pakistan, the Philippines, Vietnam, and Indonesia.<sup>8</sup> Biden announced another 500 million doses of BNT vaccine in Europe in early June and began shipping to 92 low- and middle-income countries and the African Union in August. According to the U.S. Department of State, Biden's pledge to donate 580 million doses of vaccine had resulted in 160 million doses being shipped to more than 100 countries by September 26.<sup>9</sup>

Japan also began vaccine diplomacy in June. In June and July, Japan donated 3.3 million doses to Taiwan and 1 million doses to Vietnam; 1 million doses to Malaysia and 1 million doses to Indonesia on July 1; and 1 million doses to the Philippines and 1 million doses to Thailand on July 8 and 9. In September, Japan launched another wave of vaccine donations. On September 23, Prime Minister Suga Yoshihide said Japan would donate up to 60 million vaccines. Japan's vaccines were quickly delivered to the recipient countries after the announcement. Although the U.S. and Japan started vaccine diplomacy late, both countries are generally recognized and welcomed for providing better quality vaccines without conditions and at no cost.

## IV. Outlook for the Indo-Pacific Regional Order

### 1. China's Vaccine Diplomacy Has Not Won Universal Recognition

Although China has taken the lead in filling the vaccine gap in the Indo-Pacific region, its vaccine diplomacy has had limited success. In June 2021, at least 10 of the 26 doctors who died of the disease in Indonesia had completed two doses of the Sinovac vaccine, raising widespread concern. However, China did win some recognition for helping the countries concerned obtain the vaccine as early as possible. On the other hand, the Western vaccines provided unconditionally

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<sup>8</sup> "FACT SHEET: Biden-Harris Administration Unveils Strategy for Global Vaccine Sharing, Announcing Allocation Plan for the First 25 Million Doses to be Shared Globally," *The White House Press Release*, June 3, 2021, <https://reurl.cc/kZGnGr>; "FACT SHEET: Biden-Harris Administration Announces Allocation Plan for 55 Million Doses to be Shared Globally," *The White House Press Release*, June 21, 2021, <https://reurl.cc/NrzYVe>.

<sup>9</sup> "COVID-19 Vaccine Delivery," *U.S. Department of State*, Last Updated: September 26, 2021, <https://reurl.cc/mLeY3A>.

by the United States and Japan have generally been welcomed by the recipient countries. However, since July, Russia, Israel, the United Kingdom, France, Germany, the United States, and China have announced that they will begin administering booster shots (commonly known as the third dose of the vaccine) in response to the more contagious Delta virus. Many people are concerned that this may weaken vaccine support for low- and middle-income countries in the West. Fortunately, India's Health Minister Mansukh Mandaviya has announced that vaccine exports will resume in October, and at the first physical leaders' summit of the Quadrilateral Security Dialogue on September 24, Prime Minister Narendra Modi further stated that 8 million doses of vaccine would be exported by the end of October.<sup>10</sup>

## **2. Vaccine Choice is Highly Relevant to the Position of Each Country**

Before the outbreak of the COVID-19 epidemic, many countries were already worried that they might be forced to take sides between the U.S. and China as the confrontation between the two countries intensified. When the U.S.-China relationship continues to deteriorate in 2021, it seems that vaccine policies of various countries are also affected by their inclinations. For example, the U.S. has not granted emergency access to the Russian and Chinese vaccines, and China has only licensed the five vaccines it has developed and has delayed granting emergency access to the BNT vaccine. In addition, according to Duke University, allied partners with close ties to the U.S., such as Japan, Australia, New Zealand, Taiwan, and South Korea, have chosen Western vaccines rather than Chinese vaccines. Countries with close ties to China, such as Cambodia and Pakistan, use almost all vaccines made in China and Russia. Countries trying to maintain a balance between the U.S. and China or refusing to choose sides, such as Indonesia, Malaysia, and Vietnam, show an almost 50/50 "coincidence" between their purchases of Russian and Chinese vaccines and Western vaccines. Singapore

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<sup>10</sup> "India to Resume Export of Covid Vaccines from October: Health Minister Mansukh Mandaviya," *Times of India*, September 20, 2021, <https://reurl.cc/r1RZkZ>; "India Tells Quad Will Allow Export of 8 mln Indo-Pacific Vaccine Doses," *Reuters*, September 25, 2021, <https://reurl.cc/AR0yLQ>.

has adopted a different strategy—procuring and administering Moderna and BNT vaccines, but not disclosing the quantities; not including the Sinovac vaccine in its vaccination data, but agreeing to private clinics purchasing the Sinovac vaccine (200,000 doses).<sup>11</sup>

### **3. Countries may be Forced to “Live With the Virus”**

Vaccination has brought the epidemic under some control, but COVID-19 continues to mutate, and many experts have pointed to the possibility of “viral influenza.” Previously, some countries in the Indo-Pacific region had to take control measures to restrict the movement of people due to insufficient vaccines and provide stimulus and subsidies for economic impact. However, repeated subsidy policies have led to fiscal strain and weakened monetary policy in some countries. In addition, prolonged blockades have left vulnerable populations in economic distress and increased dissatisfaction with their governments. Likewise, the uncertainty of the epidemic prevention policy prevents companies from making medium- to long-term production adjustments and strategic planning. If stringent vaccination measures persist, companies must consider relocating some of their production to other countries to ensure their supply chains are not affected. As a result, many countries may have to learn to “live with the virus.” On the one hand, vaccination and personal protection measures will be strengthened, and on the other hand, the movement of people will be deregulated, so that economic and social activities can be resumed.

## **V. Conclusion**

From an optimistic point of view, after the epidemic’s impact in 2020, countries are gradually mastering how to deal with the virus, and economic data are gradually turning positive. However, in the short term, the global economy will not recover to the level before the emergence of the COVID-19 epidemic. The

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<sup>11</sup> Launch and Scale Speedometer, *Duke University*, <https://reurl.cc/W312D7>.

introduction of several vaccines has helped alleviate the epidemic to a certain extent, but they are still unable to eliminate the evolving COVID-19. Given the dilemma of public safety and economic and social order, humans may have to learn to coexist with the COVID-19.

When the outbreak began in 2020, there were many calls for the United States and China to put aside their differences and work together to combat the epidemic, but instead of easing the confrontation, even the vaccine has become part of the competition. Although the call for “vaccine justice” from the World Health Organization and public health experts has been echoed, the COVAX mechanism is still no match for the “vaccine nationalism” domestic-first mentality and is seriously lagging in the progress of vaccine acquisition and delivery. As for the issue of Indo-Pacific countries being forced to choose sides politically, it is clear from the vaccine procurement and administration policies that most countries have already tacitly chosen sides. A few countries that do not wish to take sides have quietly reflected their positions through their vaccine policies.



# Chapter 13

## Strategic Competition in the South China Sea and the Security Implications for the Indo-Pacific Region

Sheng-Yao Lin\*

### I. Introduction

On July 12, 2016, an arbitral tribunal established under Annex VII of the United Nations Convention on the Law of the Sea (UNCLOS) issued a significant decision on the South China Sea dispute, which has triggered discussions on many legal issues and provided a legal basis for countries' activities in the South China Sea. The ruling was seen as a victory for the Philippines over China and served as the basis for subsequent countermeasures against China by neighboring countries. In 2021, in addition to the U.S. continuing to send warships to sail the South China Sea, many other countries have responded, and China has countered with drills and other actions. With conflicting philosophies and frequent actions from all sides, it is no doubt that the tensions in the South China Sea will be exacerbated. This publication aims to discuss the actions of relevant countries in the South China Sea and their impact on regional security. First, it will explain the conflict between the U.S. and China in establishing the South China Sea order; then, it will explore the actions of the U.S.-China-led countries in the South China Sea and the participation of extraterritorial countries; finally, it will discuss the impact of the aforementioned countries' frequent actions in the South China Sea on the Indo-Pacific region.

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## II. The Establishment and Disagreements of the International Order in the South China Sea

### 1. The Biden Administration Continues the Concept of a “Free and Open Indo-Pacific”

On February 19, 2021, State Department spokesman Ned Price stated that “the United States reaffirms its July 13, 2020 statement on China’s illegal and excessive maritime claims in the South China Sea.”<sup>1</sup> Then, in March, the Biden administration, with its emphasis on rebuilding relationships with allies, elevated the quadripartite security dialogue to the leadership level and issued a joint statement in the leaders’ name setting out an Indo-Pacific vision. The statement did not mention China but emphasized a free and open region free from coercion and a shared commitment to promoting a free and open order based on international law.<sup>2</sup> In April, Joe Biden met with Japanese Prime Minister Suga Yoshihide at the White House, the first foreign leader to meet face-to-face since Biden took office. In the joint statement, the U.S. and Japanese leaders again referred to “a shared vision for a free and open Indo-Pacific region.”<sup>3</sup> Despite the change in the U.S., it is clear that promoting “freedom and openness” in the Indo-Pacific region remains a key U.S. policy for the region.

### 2. A “Rules-Based International Order” and an “International Legality-Based Order”

In addition to a free and open Indo-Pacific vision, a “rules-based international order” plays an equally important role as a U.S. foreign values discourse and as a counterweight to Chinese behavior.<sup>2</sup> In a May 2021 joint statement, the

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<sup>1</sup> “Department Press Briefing—February 19, 2021,” *U.S. Department of State*, February 19, 2021, <https://www.state.gov/briefings/departments-press-briefing-february-19-2021/>.

<sup>2</sup> “Quad Leaders’ Joint Statement: ‘The Spirit of the Quad’,” *The White House*, March 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/>.

<sup>3</sup> “US-Japan Joint Leaders’ Statement: ‘US-JAPAN GLOBAL PARTNERSHIP FOR A NEW ERA’,” *The White House*, April 16, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/16/us-japan-joint-leaders-statement-us-japan-global-partnership-for-a-new-era/>.

seven industrial nations expressed their “commitment to strengthening an open society, shared values, and a rules-based international order” and called on China to “participate constructively in a rules-based international system.”<sup>4</sup> In a joint statement following the May 21 meeting between Biden and South Korean President Moon Jae-in, the leaders again stressed their “opposition to any activity that destabilizes or threatens the ‘rules-based international order’.”<sup>5</sup> It is clear that the “rules-based international order” has become a central part of the U.S. and allies’ discourse on building an international order.

The “international order based on international legality” advocated by China is different from the West. At the 75<sup>th</sup> anniversary summit of the United Nations, Xi Jinping stated that he would “firmly uphold the international system with the United Nations at its core and an international order based on international law” and emphasized that he would “become an advocate and defender of the rule of law in the international arena.”<sup>6</sup> In May 2021, at the Security Council, Wang Yi reiterated in his speech that he would “insist on genuine multilateralism” and emphasized that “international rules should be based on international law,”<sup>7</sup> implying that the is operating multilateralism against China. In addition, Yang Jiechi, Director of the Foreign Affairs Office of the Central Committee of the Communist Party of China, wrote that China firmly upholds the international system with the United Nations at its core and the international order based on international law, and opposes “pseudo-multilateralism” which is unilateralism in the name of multilateralism.<sup>8</sup>

<sup>4</sup> “G7 Foreign and Development Ministers’ Meeting: Communiqué,” *EEAS*, May 5, 2021, [https://eeas.europa.eu/headquarters/headquarters-homepage/97842/g7-foreign-and-development-ministers%E2%80%99-meeting-communic%C3%A9\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/97842/g7-foreign-and-development-ministers%E2%80%99-meeting-communic%C3%A9_en).

<sup>5</sup> “U.S.-ROK Leaders’ Joint Statement,” *The White House*, May 21, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/05/21/u-s-rok-leaders-joint-statement/>.

<sup>6</sup> “Xi Jinping Delivers an Important Speech at the Summit Commemorating the 75th Anniversary of the Founding of the United Nations,” *Ministry of National Defense of the People’s Republic of China*, September 22, 2020, [http://www.mod.gov.cn/big5/shouye/2020-09/22/content\\_4871568.htm](http://www.mod.gov.cn/big5/shouye/2020-09/22/content_4871568.htm).

<sup>7</sup> “United for True Multilateralism,” *Ministry of Foreign Affairs of the People’s Republic of China*, May 8, 2021, <https://www.fmprc.gov.cn/web/wjbxhd/t1874345.shtml>.

<sup>8</sup> “Yang Jiechi Talks about the Achievements of the CCP’s Diplomacy, All the Credit Goes to Xi Jinping,” *China Central News Agency*, July 3, 2021, <https://www.cna.com.tw/news/acn/202107030085.aspx>.

Since taking office, Biden has intensified calls for China to adhere to a “rules-based international order” and has called on allies to join him and take relevant mandatory measures. China has advocated the centrality of the United Nations in global governance and the fundamental principle of the primacy of national sovereignty. The “rules-based international order” advocated by the West is a vague term for China. Russia’s Foreign Minister Sergey Lavrov, whom the West has also accused, has stated that the West no longer cares about the norms of international law but only demands that every actor follow Western norms and order.<sup>9</sup>

### III. Strategic Competition in the South China Sea

#### 1. The U.S. Pursues a Free and Open Indo-Pacific

In January 2021, then-Secretary of State Michael Pompeo issued a press statement on protecting and preserving the free and open South China Sea, emphasizing that all nations should enjoy the rights and freedoms guaranteed by international law in the region and stated that he would continue to take action until he saw Beijing stop its coercive behavior in the South China Sea.<sup>10</sup>

##### (1) *Continued Freedom of Navigation Operations*

On February 5, 2021, the Seventh Fleet of the Navy completed its first freedom of navigation operation in the South China Sea since President Biden took office. The operation asserted the right and freedom of navigation in the vicinity of the Paracel Islands, challenging China’s 1996 declaration of a straight baseline that included the Paracel Islands, in addition to unilaterally imposing any authorization

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<sup>9</sup> “Foreign Minister Sergey Lavrov’s Remarks at the Meeting of the UN Security Council, ‘Maintenance of International Peace and Security: Upholding Multilateralism and the United Nations-centred International System,’ Held via Videoconference,” *Ministry of Foreign Affairs of the Russian Federation*, May 7, 2021, [https://www.mid.ru/en/press\\_service/minister\\_speeches/-/asset\\_publisher/7OvQR5KJWVmR/content/id/4721942](https://www.mid.ru/en/press_service/minister_speeches/-/asset_publisher/7OvQR5KJWVmR/content/id/4721942).

<sup>10</sup> “Protecting and Preserving a Free and Open South China Sea,” *U.S. Department of State*, January 14, 2021, <https://2017-2021.state.gov/protecting-and-preserving-a-free-and-open-south-china-sea/index.html>.

or advance notice requirements for innocent passage.<sup>11</sup> As of August, the United States has conducted four freedom of navigation operations in the South China Sea, three in the Paracel Islands and one in the Spratly Islands.<sup>12</sup>

(2) *Demonstrating an approach to deepening relations with ASEAN countries*

On July 27, 2021, U.S. Secretary of Defense Lloyd Austin began a trip to Southeast Asia, visiting Singapore, Vietnam, and the Philippines, the first significant cabinet member to be sent to Southeast Asia since Biden took office. In a speech at the International Institute for Strategic Studies in Singapore, Austin emphasized the importance of a stable, open, and prosperous Indo-Pacific region and a rules-based international order, in addition to the current epidemic.<sup>13</sup> In Vietnam, Austin and Vietnamese Defense Minister Phan Văn Giang agreed to prioritize military cooperation in certain areas, including military medical services to combat COVID-19 and improve maritime law enforcement capabilities.<sup>14</sup>

Regarding the Philippines, President Rodrigo Duterte has been threatening to repeal the Philippine-United States Visiting Force Agreement (VFA) for the past year and a half. The repeal of the agreement, which allows U.S. troops to use Philippine military bases, would undoubtedly be detrimental to U.S. operations in the Indo-Pacific region. However, at a subsequent press conference, Philippine Defense Secretary Delfin Lorenzana stated the President's decision to withdraw the termination of the VFA,<sup>15</sup> which was undoubtedly the most critical outcome of Austin's visit to Southeast Asia.

On August 3, U.S. Secretary of State Antony Blinken met with Indonesian

<sup>11</sup> "7th Fleet Destroyer Conducts Freedom of Navigation Operation in South China Sea," *Commander, US 7th Fleet*, February 5, 2021, <https://www.c7f.navy.mil/Media/News/Display/Article/2494240/7th-fleet-destroyer-conducts-freedom-of-navigation-operation-in-south-china-sea/#.YBz2a2BKNqs.twitter>.

<sup>12</sup> "U.S.-China Strategic Competition in South and East China Seas," *Congressional Research Service*, August 4, 2021, <https://sgp.fas.org/crs/row/R42784.pdf>.

<sup>13</sup> "Transcript: US Defense Secretary Austin's speech in Singapore," *Nikkei Asia*, July 27, 2021, <https://asia.nikkei.com/Politics/International-relations/Transcript-US-Defense-Secretary-Austin-s-speech-in-Singapore>.

<sup>14</sup> "Vietnam, US Military Medics to Cooperate in Covid-19 Prevention," *VNEXPRESS*, July 29, 2021, <https://e.vnexpress.net/news/news/vietnam-us-military-medics-to-cooperate-in-covid-19-prevention-4332493.html>.

<sup>15</sup> "'As if Nothing Happened': Duterte Nixes Termination of PH-US VFA, Says Lorenzana," *Manila Bulletin*, July 30, 2021, <https://mb.com.ph/2021/07/30/as-if-nothing-happened-duterte-recalls-termination-of-ph-us-vfa-lorenzana-says/>.

Foreign Minister Retno Marsudi in Washington, D.C., and announced that the U.S. had initiated a strategic dialogue. The two sides pledged to cooperate on defending the freedom of navigation in the South China Sea.<sup>16</sup> In late August, Vice President Kamala Harris visited Singapore and Vietnam, where she condemned China's actions in the South China Sea and advocated upholding a rules-based international order.<sup>17</sup> The back-to-back visits by the Secretary of Defense and Vice President in just two months demonstrate the importance of Southeast Asian countries and show that the United States is actively drawing in allies to counter China's frequent actions in the South China Sea.

### (3) *Joint military exercises to demonstrate deterrence capabilities*

The U.S. will conduct Large Scale Global Exercise 21 (LSGE21) from August 2 to August 27, 2021, an exercise developed by the Department of Defense and conducted by the Indo-Pacific Command. Participants include the U.S. Army, Navy, Air Force, Marine Corps, the British Armed Forces, Australian National Defense Force, and Japanese Self-Defense Forces. The purpose of the exercise is to strengthen cooperation with allies to maintain regional stability, reinforce a rules-based international order, and maintain a free and open Indo-Pacific region.<sup>18</sup> The joint military exercise spans from the East China Sea and South China Sea to the Eastern Mediterranean and the Black Sea, signaling to China and Russia that the U.S. can respond to multiple fronts simultaneously. This action can be interpreted as the U.S. building a joint deterrent force to prevent a full-scale world war.<sup>19</sup>

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<sup>16</sup> "The United States and Indonesia Defend Freedom of Navigation in the South China Sea," *China Times*, August 5, 2021, <https://www.chinatimes.com/newspapers/20210805000672-260309?chdtv>.

<sup>17</sup> "End of Harrison's Southeast Asia visit: US will 'speak loudly' on South China Sea issue," *Central Radio*, August 26, 2021, <https://www.rti.org.tw/news/view/id/2109615>.

<sup>18</sup> "US Indo-Pacific Command Will Conduct Large Scale Global Exercise 21," *US Indo-Pacific Command*, August 2, 2021, <https://www.pacom.mil/Media/News/News-Article-View/Article/2716767/us-indo-pacific-command-will-conduct-large-scale-global-exercise-21/>.

<sup>19</sup> Jiang Xinyo, "Strategic Implications of U.S. 'Large-scale Global Exercises'," *Institute for National Defense Security*, August 11, 2021, [https://indsr.org.tw/tw/News\\_detail/3441/美國「全球大規模演習」的戰略涵義](https://indsr.org.tw/tw/News_detail/3441/美國「全球大規模演習」的戰略涵義).

## 2. China's Assertion of Sovereignty

### (1) *Establishing order in the South China Sea through domestic legislation*

As of February 1, 2021, the Law of the People's Republic of China on Maritime Police came into force, which gives the maritime police agency the right to take all necessary measures, including the use of weapons, to suppress infringements.<sup>20</sup> The maritime police agency may even use weapons directly if it is too late to warn or if a warning may lead to more severe consequences.<sup>21</sup> The Marine Police have the right to order the construction of structures in the waters and islands under Chinese jurisdiction without the approval of the competent authorities or to demolish them within a certain period; for those who refuse to stop illegal acts or do not demolish them after a certain period, the Marine Police have the right to stop them or to demolish them forcibly.<sup>22</sup> If claimants build structures on the South China Sea islands and reefs, they may be forcibly demolished. The passage of the law has raised concerns in many countries, with a U.S. State Department spokesperson stating that "allowing the maritime police to disrupt the economic structures of other countries and use force to defend China's maritime claims in disputed areas strongly suggests that the law could be used to intimidate China's maritime neighbors."<sup>23</sup>

In addition, the Standing Committee of the National People's Congress (NPC) passed in April to amend the Maritime Traffic Safety Law of the People's Republic of China, which came into effect on September 1. The amended law requires that specific foreign vessels entering or leaving the waters under the jurisdiction of the People's Republic of China should report to the maritime administration, including "other vessels that may endanger the safety of maritime traffic in the People's Republic of China as prescribed by law, administrative regulations, or

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<sup>20</sup> "Coastal Police Law of the People's Republic of China," *Ministry of National Defense of the People's Republic of China*, January 23, 2021, [http://www.mod.gov.cn/big5/regulatory/2021-01/23/content\\_4877678.htm](http://www.mod.gov.cn/big5/regulatory/2021-01/23/content_4877678.htm), p. 22.

<sup>21</sup> "Coastal Police Law of the People's Republic of China," Articles 48 and 49.

<sup>22</sup> "Coastal Police Law of the People's Republic of China," Article 20.

<sup>23</sup> "US Concerned at Chinese Law Allowing Coast Guard Use of Arms," *Financial Times*, February 20, 2021, <https://www.ft.com/content/14d52b20-b104-4d59-a8e0-ef211e1b08c4>.

the State Council.”<sup>24</sup> China can prevent foreign vessels from entering the so-called jurisdictional waters in order to maintain maritime traffic safety and protect the marine environment.

## (2) *Maritime militias and gray zone strategy*

Since March 2021, up to 220 Chinese vessels have been moored in the waters of Whitsun Reef in the Spratly Islands, which the Philippine defense minister has described as a military provocation in the area, demanding that China stop the operation and arguing that the vessels are a “maritime militia.”<sup>25</sup> At a regular press conference at the Chinese Foreign Ministry on April 6, Zhao Lijian noted that “Whitsun Reef is part of China’s Spratly Islands, and Chinese fishing vessels are in the waters of the Spratly Islands. Chinese fishing boats are operating there reasonably and legally.”<sup>26</sup> This did not stop when the Philippines protested, and Philippine media noted that Chinese militia vessels continued to be seen operating in the Philippines’ exclusive economic zone on May.<sup>27</sup>

According to Jill Goldenziel, a U.S. Marine Corps University professor, China is increasingly using “maritime militias” as part of its military operations as it seeks to control the South China Sea. China’s use of militias to swarm and even occupy disputed islands and reefs in the South China Sea poses a significant challenge to U.S. freedom of navigation. These fishing boats have collided with merchant ships and warships, but the fishermen staffing them are civilians, and the U.S. is not free to respond.<sup>28</sup>

<sup>24</sup> “Maritime Traffic Safety Law of the People’s Republic of China,” *Xinhua Net*, [http://www.xinhuanet.com/politics/2021-04/30/c\\_1127394062.htm](http://www.xinhuanet.com/politics/2021-04/30/c_1127394062.htm), Article 54.

<sup>25</sup> “South China Sea Dispute: Huge Chinese ‘Fishing Fleet’ Alarms Philippines,” *BBC News*, March 21, 2021, <https://www.bbc.com/news/world-asia-56474847>.

<sup>26</sup> “Ministry of Foreign Affairs Spokesperson Zhao Lijian Hosted a Regular Press Conference on April 6, 2021,” *Ministry of Foreign Affairs of the People’s Republic of China*, April 6, 2021, [https://www.fmprc.gov.cn/web/wjdt\\_674879/fyrbt\\_674889/t1867092.shtml](https://www.fmprc.gov.cn/web/wjdt_674879/fyrbt_674889/t1867092.shtml).

<sup>27</sup> “Nearly 300 Chinese Vessels Still Scattered in West Philippine Sea, Says Task Force,” *ABS-CBN News*, May 12, 2021, <https://news.abs-cbn.com/news/05/12/21/287-chinese-vessels-west-philippine-sea-may122021>.

<sup>28</sup> Jill Goldenziel, “The US Is Losing The Legal War Against China,” *Forbes*, August 3, 2021, <https://www.forbes.com/sites/jillgoldenziel/2021/08/03/the-us-is-losing-the-legal-war-against-china/?sh=47141ee56cab>.

(3) *Military exercises as a demonstration of force*

The South China Sea is an important training ground for China and a warning to countries challenging China's claims in the South China Sea through military exercises. January 27-30, 2021, vessels are prohibited from entering the waters between the Gulf of Tonkin and the western part of the Leizhou Peninsula in southwestern China. The military exercise was seen as Beijing's response to U.S. military action and a way for China to test Biden and demonstrate that it was ready to stand up to the U.S.<sup>29</sup> In March, China issued another navigation restriction notice for an area within a 5-kilometer radius of the South China Sea, West of the Leizhou Peninsula. Since July 2020, China has held several military exercises in the area, indicating that the area is a routine location for exercises. The exercise coincided with renewed frequent U.S. close-range reconnaissance of China's coastal areas and the hydrographic environment of the South China Sea.<sup>30</sup> Chinese military exercises in the South China Sea have become a regular occurrence, and the August 6-10, 2021, exercise is said to have set a new record for the size of exercises in the South China Sea, covering up to 100,000 square kilometers where no vessels are allowed to enter during the exercises.<sup>31</sup>

### 3. Extraterritorial Participation

In addition to the neighboring countries in the Indo-Pacific region, the French nuclear-powered attack submarine *Émeraude* S604 and support ship BSAM Seine crossed the South China Sea in February 2021. The French defense minister said the operation demonstrated the French Navy's ability to deploy long-range, alongside its strategic partners in Australia, the United States, and Japan.<sup>32</sup> The August departure of HMS Queen Elizabeth from the East Atlantic and the

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<sup>29</sup> Lin Sen, "Military Expert Says China's South China Navy Exercise Is a 'Testing the Waters' of the U.S.," *VOA Cantonese*, January 28, 2020, <https://www.voacantonese.com/a/china-drills-20210128/5755159.html>.

<sup>30</sup> "China to Hold Month-long Military Drills in South China Sea," *Global Times*, February 28, 2021, <https://www.globaltimes.cn/page/202102/1216821.shtml>.

<sup>31</sup> "The Biggest Ever! China Launches 100,000-square-kilometer South Navy Exercise, U.S. Army Responds to Kickoff," *NewTalk News*, August 7, 2021, <https://newtalk.tw/news/view/2021-08-07/617033>.

<sup>32</sup> "French Warship Passes South China Sea with High Profile, Scholars' Analysis: Release Signal of Fearlessness," *Central News Agency*, February 14, 2021, <https://www.cna.com.tw/news/firstnews/202102140005.aspx>.

Mediterranean was the strike group's first ocean-going mission and demonstrated that Britain could contribute to the Indo-Pacific region. The Strike Group began its first operational voyage in May and is the first to sail to the Indo-Pacific region, with joint training planned with regional allies such as the United States, India, Singapore, Japan, South Korea, and Australia.<sup>33</sup> In addition, the German Navy sent the patrol ship Bayern on a long-range voyage to the South China Sea, demonstrating its support for multinational efforts to stop Chinese expansionism in the region. A statement from the German defense minister said the operation "is a symbol of stability, prosperity and a rules-based multilateral order."<sup>34</sup>

## IV. Implications for the Indo-Pacific Region

### 1. Tensions in the South China Sea are Unlikely to Cool Down

On the fifth anniversary of the South China Sea arbitration, U.S. Secretary of State Blinken said that the rule-based maritime order was under serious threat in the South China Sea and called on China to comply with international law.<sup>35</sup> In response to the U.S. statement, Chinese Foreign Ministry spokesman Zhao Lijian rebutted the U.S. position in six points and called the arbitration case a piece of waste paper, urging the U.S. to stop abusing international law, stop provocations and disputes in the South China Sea, and comply with international law centered on the UN Charter and respect China's sovereign rights in the South China Sea.<sup>36</sup> The same position was expressed by Chinese Foreign Minister Wang Yi at the East Asia Summit Foreign Ministers' meeting. Furthermore, the exact position was reiterated in a speech by Chinese Foreign Minister Wang Yi at the East Asia Summit Foreign

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<sup>33</sup> "British Aircraft Carrier 'Queen Elizabeth' Sails into Philippine Sea: Demonstrates Determination to Maintain Indo-Pacific Security," *ETtoday*, August 2, 2021, <https://www.ettoday.net/news/20210802/2045646.htm>.

<sup>34</sup> "German Frigate Departs for the South China Sea," *Maritime Executive*, August 3, 2021, <https://www.maritime-executive.com/article/german-frigate-departs-for-the-south-china-sea>.

<sup>35</sup> "Fifth Anniversary of the Arbitral Tribunal Ruling on the South China Sea," *US Department of State*, July 11, 2021, <https://www.state.gov/fifth-anniversary-of-the-arbitral-tribunal-ruling-on-the-south-china-sea/>.

<sup>36</sup> "Ministry of Foreign Affairs Spokesperson Zhao Lijian hosted a Regular Press Conference on July 12, 2021," *Ministry of Foreign Affairs of the People's Republic of China*, July 12, 2021, [https://www.fmprc.gov.cn/web/wjdt\\_674879/fyrbt\\_674889/t1891432.shtml](https://www.fmprc.gov.cn/web/wjdt_674879/fyrbt_674889/t1891432.shtml).

Ministers' Meeting, in which he called on countries to respect the efforts of regional countries to maintain peace and to refrain from extending their hands into the South China Sea.<sup>37</sup> Since the arbitration results came out, the U.S. and China have taken a firm position on their respective claims. However, the aforementioned arguments also show that there are still considerable differences between the United States and China on the positioning of the South China Sea.

Inheriting the U.S. policy of “free and open Indo-Pacific,” Biden has sent warships to the South China Sea since he took office to conduct freedom of navigation operations while conducting joint military exercises with allies to deter China. Not to be outdone, China has continued to conduct military exercises in the South China Sea and has enacted the Maritime Police Act and the Maritime Traffic Safety Act through domestic law to strengthen enforcement in its waters, attempting to use domestic law to protect its interests better and establish a China-dictated order in the South China Sea. However, as the U.S. frequently conducts freedom of navigation operations in the South China Sea to challenge China's claims, it will pass through waters 12 miles from the islands and reefs in the process, and if China enforces the law vigorously in those waters, it will further exacerbate tensions in the South China Sea.

## 2. The “Internationalization” of the South China Sea Issues

China has always taken the position that external forces should not intervene in the South China Sea disputes and advocates that the internationalization of the South China Sea issue would be detrimental to the resolution. Such a position is also evident in China's protests against the United States, the United Kingdom, France, Germany, and other countries in the South China Sea. The Declaration on the Conduct of Parties in the South China Sea and the Code of Conduct in the South China Sea is another tool for China to regionalize the South China Sea, encouraging other countries to respect the principles outlined in the Code because China does not want extraterritorial involvement in the South China Sea. China

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<sup>37</sup> “Wang Yi Stresses ‘Four Respects’ on South China Sea Issue,” *Ministry of Foreign Affairs of the People's Republic of China*, August 5, 2021, <https://www.fmprc.gov.cn/web/wjzbzd/t1897509.shtml>.

seeks to portray the South China Sea as an issue solely between China and the South China Sea claimants, thereby excluding extraterritorial involvement.

However, it is worth noting that with the Biden administration actively promoting multilateralism and uniting more allies, it is difficult to limit the South China Sea issue to neighboring countries. The U.S. has continued to conduct freedom of navigation operations in the South China Sea, and a large-scale global exercise in August 2021 will even include non-South China Sea coastal states, including Australia, the United Kingdom, and Japan; the French nuclear-powered attack submarine *Jade* and support ship *Senna* crossed the South China Sea in February; the British HMS *Queen Elizabeth* arrived in August; and the *Byron*, which is expected to cross the South China Sea in mid-December, is the first German military vessel to cross the area since 2002. These signs point to an inevitable trend toward internationalization of South China Sea issues.

## **V. Conclusion**

Looking back at the competition in the South China Sea in 2021, the situation in the South China Sea continues to heat up and become more complex. The U.S. assertion of a “rules-based international order” is being seriously challenged in the South China Sea, and China is being called upon to comply. On the other hand, China considers the U.S. view of the order to be factually incorrect and vague, and a “pseudo-multilateralism,” and supports an “international order based on international law” and demands that the U.S. respects China’s sovereignty. The U.S. and China have very different propositions based on the South China Sea order, making it difficult to cool down the competition between the U.S. and China in the region. To defend and preserve their respective positions, the U.S. has challenged China’s maritime claims through freedom of navigation operations and has drawn in allies to participate in operations in the region. On the other hand, China continues to demonstrate its capabilities militarily through military exercises, politically through domestic legislation to establish an order that meets

its expectations for stricter enforcement in the South China Sea, and through maritime militias to enforce gray areas.

In addition to the U.S. and China as the main actors in the South China Sea, extraterritorial actors also play an essential role. In addition to participating in joint military exercises, U.S.-led allies are also sending their ships to sail the South China Sea, in part challenging China's claims in the South China Sea and inevitably internationalizing and complicating the issue. However, it is expected that under the Biden administration's policy of promoting multilateralism, the U.S. and its allies' joint involvement in the South China Sea and the Indo-Pacific region may become normalized.



# Chapter 14

## The Resilience of the Indo-Pacific Supply Chain and Taiwan's Role

Che-Jen Wang\*

### I. Introduction

In a globalized production system, countries provide their contributions at different stages of the product value chain due to the intra-sectoral specialization among nations resulting from comparative advantage. In the globalized production process, components and semi-finished products are manufactured in different countries, and it is no longer possible for an end-consumer product to be manufactured in only one country. As a result, supply chains often encounter problems such as delays in transportation (domestic and cross-border), delays in obtaining essential materials, or inability to obtain them again (e.g., spare suppliers and key suppliers from the same source or suppliers going out of business), and stock shortages, which often cause production line shutdowns, such as this year's (2021) shutdown of major car factories due to a shortage of automotive chips. The U.S.-China trade dispute and the COVID-19 pandemic have not only deepened supply chain security issues, such as restrictions on the movement of workers due to city closures, forced factory shutdowns, and port congestion, resulting in supply chain disruptions. Strengthening supply chain resilience is one of the hottest topics for 2020 and beyond.

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With 60% of the world's Gross Domestic Product (GDP) and a large young population, the Indo-Pacific region has become an important strategic area for the U.S. and its allies to counter China under the confrontation between the U.S. and China. In the face of the global supply chain restructuring, Taiwanese companies have not only relocated their production bases in China back to Taiwan due to the "order-transfer effect", but moved some of their production lines to Southeast Asia and India. The increase in the number of Taiwanese companies investing in the Indo-Pacific region has affected the overall layout of Taiwan's industrial supply chain and led to a reshuffling of the global supply chain, the importance of which should not be underestimated. This article analyzes the reasons for the changes in the supply chain in the Indo-Pacific region, the current situation, and the possible areas for Taiwan companies to focus on in the future.

## **II. U.S.-China Confrontation and the Impact of the COVID-19 on the Supply Chain**

As the world's factories, China's production bases were primarily located in the southeast coast, but with the rising labor costs, some manufacturers, especially in traditional labor-intensive industries, have started to move their factories to regions where labor force is abundant, such as the inland provinces of China or Southeast Asian countries. The U.S.-China confrontation has deepened the concerns of China's manufacturers, and its impact on the supply chain can be divided into two stages: first, the U.S.-China trade war; second, the technology war.

### **1. The Impact of the U.S.-China Confrontation on the Supply Chain**

After the Trump administration issued a memorandum on "China's Economic Aggression"<sup>1</sup> on March 22, 2018, imposing 25 percent tariffs on \$50 billion of Chinese imports, the Chinese government immediately retaliated by imposing tariffs on U.S. imports of similar value, and since then, the U.S. and China began a reciprocal tariff retaliation (see Table 14-1). Since most of the U.S. suppliers

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<sup>1</sup> "Presidential Memorandum on the Actions by the United States Related to the Section 301 Investigation," *The White House*, March 22, 2018, <https://reurl.cc/WXq4gk>.

comes from China, the tariffs were almost entirely passed on to U.S. consumers because there are not enough suppliers from other countries available once the tariff war began.<sup>2</sup> According to a study, the U.S. tariff imposing on China resulted in a welfare loss of about \$7.8 billion (0.04% of U.S. GDP).<sup>3</sup> While the U.S. side suffered from the trade war; it also caused the share of Chinese exports to the U.S. to decline significantly, resulting the share of Chinese exports to the U.S. in 2020 to be the lowest for the past 30 years. This has also resulted in “decoupling” and supply chain relocation. For example, most firms moving out of China have moved mainly to Vietnam, Thailand, and Taiwan, thus increasing the share of these countries’ exports to the United States. However, this phenomenon has varied over time.

Table 14-1 Amount of Commodities Affected by the Trade War between the U.S. and China

Time (Year/ month)	The U.S. to China		China to the U.S.	
	Impact Amount	Method	Impact Amount	Method
2018/3-4	US\$40 billion	Steel 25% tariff, aluminum 10%, not only for China	US\$3 billion	Waste aluminum and frozen pork (25%), nuts, fruits, dried fruits, wine (15%)
2018/6	US\$34 billion	818 items, including airplane parts, semiconductors, among others (25%)	US\$34 billion	Soybeans, wheat, electric vehicles, and seafood, among others (25%)

<sup>2</sup> Pablo Fajgelbaum, et al., “The Return to Protectionism,” *The Quarterly Journal of Economics*, Vol. 135, No. 1, February 2020, pp. 1-55.

<sup>3</sup> Mary Amiti, Stephen Redding and David Weinstein, “The Impact of the 2018 Tariffs on Prices and Welfare,” *Journal of Economic Perspectives*, Vol. 33, No. 4, Fall 2019, pp. 187-210.

Time (Year/ month)	The U.S. to China		China to the U.S.	
	Impact Amount	Method	Impact Amount	Method
2018/8	US\$16 billion	279 items, including heavy oil products, lubricants, plastic products, steel and iron structures, photosensitive semiconductors, circuit protection devices, diodes (25%)	US\$16 billion	333 items, including medical equipment, energy products, transportation equipment (25%)
2018/9	US\$200 billion	5,745 items, including textiles, chemicals, furniture, among others (10%, increasing to 25% in 2019)	US\$60 billion	5,207 items, including cosmetics, jewelry, video games, among others (5% or 10% or)
2019/9	US\$110 billion	Agricultural products, apparel, kitchenware, among others (15%, post-agreement to 7.5%)	US\$25 billion	Crude oil (5%), agricultural products (additional 5-10%)

Source: Eric Martin, James Mayger, “U.S.-China Trade Booms as If Virus, Tariffs Never Happened,” *Bloomberg*, July 22, 2021, <https://reurl.cc/V5RagQ>.

The U.S.-China trade war has made manufacturers aware of the shortcomings of an over-reliance on outsourcing and the potential for sudden supply chain disruptions due to over-centralization of supply sources, thus increasing the need for supply chain resilience and multiple production sites, which, however, will reduce mass production efficiency and increase manufacturing costs.<sup>4</sup>

Although the trade war impact of the sharp tariffs increase between the U.S. and China, in some cases as high as 25%, has been significant, the global supply chain has suffered a setback but has not entirely disintegrated. Moreover, since Biden took office, the supply chain has received much attention on national

<sup>4</sup> “Gartner Survey Reveals 33% of Supply Chain Leaders Moved Business Out of China or Plan to by 2023,” *Gartner*, June 24, 2020, <https://reurl.cc/emW5gm>.

security issues. While not explicitly targeting China, the review is part of the Biden administration's broader strategy to enhance U.S. competitiveness in the face of challenges posed by the world's second-largest economy.

The 2020 China Business Report, released by the American Chamber of Commerce in Shanghai (AmCham) in November 2020, found that there has been no significant relocation of U.S. businesses from China inland, even under the pressure of a rising trade war between the U.S. and China, and showed that the impact of the U.S.-China trade war on U.S. business investment intentions is less than that in 2019 (see Figure 14-1). While 14% expect to move their production activities from China to non-U.S. regions, 7% say they will move to other regions in China or out of China. Only 3.7% will return to the U.S. Of the 27.7% who will move out of China, only 1.8% will move all of their activities out of China, while the rest will move less than 30% of their activities out, indicating that China is still an important market for manufacturers, and they adopt a strategy to maintain their participation in various markets.

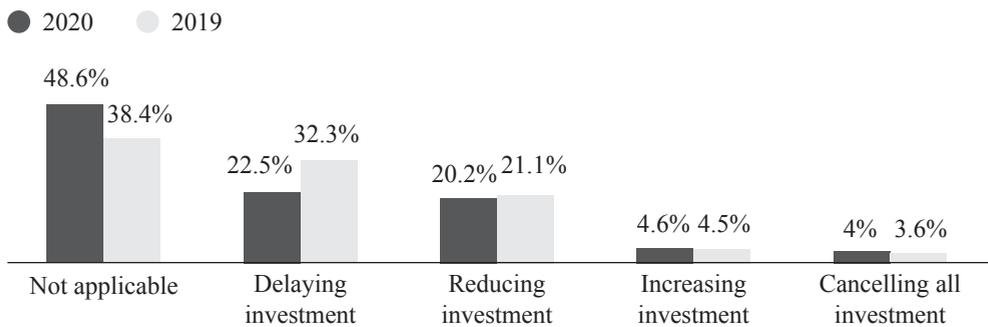


Figure 14-1 Impact of Tariffs and U.S.-China Trade Tensions on Investment Plans of U.S. Companies in Shanghai

Source: The American Chamber of Commerce in Shanghai and PwC China, 2020 China Business Report, November 2020, <https://www.pwccn.com/en/consulting/china-business-report-sep2020.pdf>, p. 23.

In Japan, according to a survey conducted by the Japan External Trade Organization (JETRO) in 2019, about 2.8% of manufacturers chose to move

their production bases due to the impact of the U.S.-China conflict, mainly large companies. Only 4.4% of large companies choose to move out, while small and medium-sized enterprises only 2.5%.<sup>5</sup>

## 2. The Impact of COVID-19 on the Supply Chain

In early 2020, although many large companies recognized the need to reduce their reliance on Chinese suppliers to mitigate the impact of the U.S.-China trade war, progress has been slow, mainly due to the high cost of adjusting the supply chain. However, the COVID-19 outbreak in China in late December 2019 triggered mandatory global social isolation and travel restrictions, causing economic and social disruption in China, Europe and the U.S. in the first quarter of 2020 with further supply chain impacts. The supply chain impact of the COVID-19 pandemic depended heavily on the number of countries that initially implemented city closures, and the duration of the closures was more likely to cause supply chain losses than the stringency of the closures, with earlier, stricter, and shorter closures minimizing overall losses.<sup>6</sup>

As a result, many companies have found that shortening the length of the supply chain and bringing products closer to the end consumer market makes business operations less likely to be disrupted in the event of a lockdown. With many government subsidies for relocating production facilities out of China,<sup>7</sup> companies are taking relocation back into consideration and spending capital on relocating production facilities. According to a Bank of America survey of 3,000 global companies, about 80 percent of companies have been affected by supply chain disruptions, and two-thirds have increased their production reshoring.<sup>8</sup>

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<sup>5</sup> “米中摩擦が組み替えるアジアのサプライチェーン,” *Japan External Trade Organization; JETRO* (日本貿易振興機構), April 3, 2020, <https://www.jetro.go.jp/biz/areareports/special/2020/0401/d798e2287994e498.html>.

<sup>6</sup> Dabo Guan, et al., “Global Supply-chain Effects of COVID-19 Control Measures,” *Nature Human Behavior*, Vol. 4, No. 6, June 2020, pp. 577-587.

<sup>7</sup> The governments of the United States, Japan and South Korea have different incentives for the relocation of production equipment out of China. For example, the United States is mainly based on tariffs, while Japan, Taiwan and South Korea are mainly based on rent taxes or other subsidies.

<sup>8</sup> “The Price of Change,” *BofA Global Research*, <https://reurl.cc/6DLgx6>.

The Korea Chamber of Commerce and Industry (KCCI) survey of 300 Korean domestic manufacturers on “Global Value Chain (GVC) Restructuring Prospects and Responses” was released in September 2020. According to the survey, about 70% of the companies “feel the changes in the global value chain” or “expect” changes. The most significant factor affecting the restructuring of the value chain is the impact of the COVID-19 pandemic, which is cited by 72% of the companies. In comparison, the U.S.-China trade war accounts for only 7.7%, and the progress of Chinese manufacturing capabilities 16.9%, which is significantly higher than the U.S.-China trade war, indicating the impact of the rise of China's red supply chain.<sup>9</sup>

### III. Current Supply Chain Adjustments in Major Indo-Pacific Nations

Before the U.S.-China confrontation and the COVID-19 pandemic, China was a global factory that produced and controlled many raw materials. However, this single, overly centralized production model has been severely challenged by restrictions on the movement of people and materials. Figure 14-2 shows that the U.S. increased imports from Southeast Asia and Taiwan to replace Chinese products in 2019. Therefore, a dual supply chain system or multi-source supply chain is now mainstream. The primary consideration is to avoid supply chain risks, whether it is the U.S., China, or other countries.

According to the World Investment Report 2020 published by the World Bank,<sup>10</sup> the supply chain adjustment can be divided into four types: reshoring, diversification, regionalization, and replication. Reshoring refers to the relocation of overseas production bases back to the home country; replication refers to the duplication of the same or similar production capacity, supported by new

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<sup>9</sup> Jung Min-hee, “Most Korean Companies Regarding Global Value Chain Reshaping as Inevitable,” *BusinessKorea*, September 28, 2020, <https://reurl.cc/DZX1EN>; Shin Ji-hye, “Korean Firms Say Restructuring is Inevitable: Survey,” *Korea Herald*, September 27, 2020, <https://reurl.cc/bnG6g6>.

<sup>10</sup> “World Investment Report 2020,” *United Nations Conference on Trade and Development*, June 2020, <https://unctad.org/webflyer/world-investment-report-2020>.

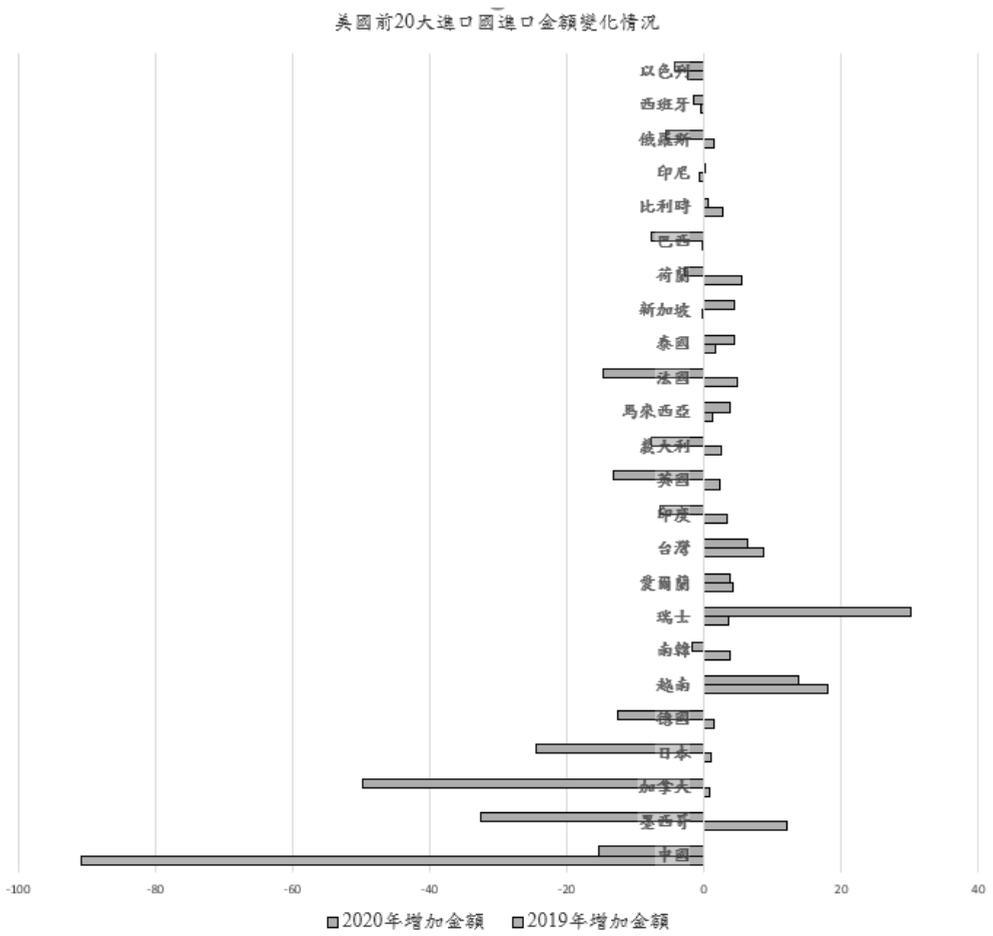


Figure 14-2 Change in Import Value of Top 20 U.S. Importers

Source: Trade Map, *International Trade Centre*, <https://www.trademap.org/Index.aspx>.

production technologies, near major consumer markets, but this approach is only applicable to products with relatively simple technologies. It can gain advantages in that particular market through customization. Diversification is the use of digital technology to transfer and outsource manufacturing to different locations and is suitable for service industries and manufacturing with complex value chains; regionalization is the result of the reduction of global production (multinational companies splitting global production and replicating it in different sub-regions) or the increase of production lines across national borders, with companies adjusting to the source of material supply, production, and delivery.<sup>11</sup> The most crucial concept in the rise of these four models is the supply chain shortening, i.e., production close to the market.

In terms of global surveys, in addition to the Bank of America survey mentioned above, a survey of 260 global supply chain leaders conducted by Gartner, Inc. from February to March 2020 found that 33% of companies have already moved their sourcing and manufacturing activities out of China or plan to do so within the next two to three years.

Concerning the individual country side, according to the U.S. Reshoring Initiative, about 60 percent of companies believe the most significant factor affecting U.S. companies in 2020 will be the outbreak of COVID-19, along with other factors such as supply chain disruptions, out-of-control and strained relationships with foreign manufacturers (meaning the tension between U.S. and China), carbon emissions and climate change.<sup>12</sup> However, the impact of the COVID-19 pandemic declines in 2021, while the Biden administration's stimulus packages gradually took place. The American Jobs Plan,<sup>13</sup> America's Supply Chains,<sup>14</sup> and Ensuring the Future Is Made in America, by All of American

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<sup>11</sup> Ben Aylor, et al., "Designing Resilience into Global Supply Chains," *Boston Consulting Group*, August 3, 2020, <https://www.bcg.com/publications/2020/resilience-in-global-supply-chains>.

<sup>12</sup> "Reshoring Initiative 2020 Data Report," *Reshoring Initiative*, May 26, 2021, <https://reshorenow.org/blog/reshoring-initiative-2020-data-report/>.

<sup>13</sup> "Fact Sheet: The American Jobs Plan," *The White House*, March 31, 2021, <https://reurl.cc/dxerAk>.

<sup>14</sup> "America's Supply Chains," *Federal Register*, March 1, 2021, <https://www.federalregister.gov/documents/2021/03/01/2021-04280/americas-supply-chains>.

Workers,<sup>15</sup> unveiled by President Biden since he took office, have provided incentives for companies to return to the U.S. in order to secure federal orders.

To help Japanese manufacturers improve the resilience of their supply chains, the Abe administration proposed two kinds of subsidies in March 2020. The first is for high value-added products that are highly dependent on a single country, for which it is recommended to move production back to Japan. The second is for those who are qualified for the first kind of subsidy, but in order to avoid over-relying on a single source of supply, for which the government will assist manufacturers to establish production lines in multiple countries, especially in the Association of Southeast Asian Nations (ASEAN). The Japanese government provided 220 billion yen for companies qualified for the first kind of subsidy to help them return to Japan and another 23.5 billion for the second.<sup>16</sup> Since the subsidies are not limited to those who withdrew from China, as of September 2020, about 1,700 companies have applied for the first kind of subsidy, amounting to 1,760 billion yen.<sup>17</sup> Vietnam has attracted the largest portion of Japanese companies invested in Vietnam, accounting for 24.5% of the total firms who moved out of China, followed by Thailand at 14.5%, and the proportion of Japanese companies choosing to move back to Japan and Taiwan each accounted for 6.9%.<sup>18</sup> In the 2020 report, the proportion of those choosing to move their production base rose to 5.1%.

In Korea, although the Act on Assistance to Korean Offshore Enterprises in Repatriation, a repatriation policy promoted by Korea since 2013, has already resulted in the repatriation of 80 companies by August 2020, and the number of

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<sup>15</sup> “Ensuring the Future Is Made in All of America by All of America’s Workers,” *Federal Register*, January 28, 2021, <https://reurl.cc/r1ZIAb>.

<sup>16</sup> “Council on Investments for the Future,” *Prime Minister of Japan and His Cabinet*, March 5, 2020, [https://japan.kantei.go.jp/98\\_abe/actions/202003/\\_00009.html](https://japan.kantei.go.jp/98_abe/actions/202003/_00009.html); “Japan Sets Aside ¥ 243.5 Billion to Help Firms Shift Production out of China,” *Japan Times*, April 9, 2020, <https://reurl.cc/Yjdlpo>.

<sup>17</sup> “1,700 Japanese Firms Seeking Homecoming Subsidy Are Not All in China, JETRO Says,” *Yicai Global*, September 17, 2020, <https://www.yicai.com/news/1700-japanese-firms-seeking-homecoming-subsidy-are-not-all-in-china-jetro-says>.

<sup>18</sup> “米中摩擦が組み替えるアジアのサプライチェーン,” *Japan External Trade Organization; JETRO* (日本貿易振興機構), April 3, 2020, <https://www.jetro.go.jp/biz/areareports/special/2020/0401/d798e2287994e498.html>.

repatriation has increased significantly after the COVID-19 pandemic. However, even with government subsidies, the number of Korean companies returning to homeland was still marginal.<sup>19</sup>

According to the Korea Chamber of Commerce and Industry report, 84.3% of Korean companies are not reducing their business in China.<sup>20</sup> However, some large Korean manufacturers, such as Samsung and Hyundai, did move their production bases to Southeast Asia or India.

In Taiwan, according to a survey conducted by the Chung-Hua Institute for Economic Research in 2019, the majority of Taiwanese companies are taking a wait-and-see approach in responding to the impact of the U.S.-China trade war, with 70% to 80% of them “not changing” or “still evaluating” their investments in various regions of the world. In terms of the regions with increased investment, the new southbound countries are the most favored destination, at 29.6%, with Vietnam being the most popular, and up to 30% of firms assessing the possibility of investment in the new southbound countries; Taiwan ranks as the second largest region with increased investment, at 24.5%.<sup>21</sup>

If we compare the changes between 2019 and 2018, we can see that the percentage of “increasing investment in China” has slightly decreased, and the percentage of “decreasing investment in China” has also increased, indicating that Taiwanese companies are indeed willing to decrease their investment in China. Furthermore, the “increased investment in new southbound countries” decreased significantly (57.32% to 29.56%). However, at the same time, the proportion of “increased investment in Taiwan” increased significantly, and the proportion of “difficult to judge” also decreased significantly, indicating that although new southbound countries are still essential regions for Taiwanese businesses to invest in, reshoring has also become a vital investment direction for Taiwanese

<sup>19</sup> Min Hyeoki, “Reshoring Korean Companies and Plans for Improvement,” *Korea Institute for Industrial Economics and Trade*, September 3, 2020, [https://eng.kiet.re.kr/kiet\\_eng/?sub\\_num=209&state=view&idx=11639](https://eng.kiet.re.kr/kiet_eng/?sub_num=209&state=view&idx=11639).

<sup>20</sup> Shin Ji-hye, *ibid.*

<sup>21</sup> Zhong Fuguo, Liu Mengjun, etc., “2020 Survey and Analysis Report on the Operation of Overseas Investment Businesses,” *Investment Review Committee of the Ministry of Economic Affairs*, December 2020, <https://www.moeaic.gov.tw/news.view?do= data&id=1490>, p. 86.

businesses.

Table 14-2 Impact of the U.S.-China Trade War on Taiwan Businesses' Investment Intentions

	2018				2019			
	Increase	No change	Decrease	Unjudgable	Increase	No change	Decrease	Unjudgable
Investment in Mainland China	3.61	68.03	13.32	15.5	2.09	62.17	16.83	18.92
Investment in the United States	4.08	71.63	1.88	22.4	3.2	67.87	3.89	25.03
Investment in Taiwan	1.41	73.67	1.25	23.67	24.48	58.14	2.23	15.16
Investment in New Southbound Countries	57.32	32.93	4.27	5.49	29.56	37.74	1.66	32.04
(Unit: %)								

Source: Chung, F. K., Liu, M. J., et al. "Survey Analysis of the Operation Status of Overseas Investment Business in 2020 (Survey Year: 2019)," *Investment Review Committee, Ministry of Economic Affairs*, December 2020, <https://reurl.cc/951nGX>, p. 86; Chung, F. K., Liu, M. J., et al. "Survey Analysis of the Operation Status of Overseas Investment Business in 2019 (Survey Year: 2018)," *Investment Review Committee, Ministry of Economic Affairs*, December 2019, <https://reurl.cc/951nGX> 15ZYov, p. 87. 2018," *Investment Review Committee, Ministry of Economic Affairs*, December 2019, <https://reurl.cc/15ZYov>, p. 87.

#### IV. Taiwan's Role in Supply Chain Adjustment in the Indo-Pacific

The U.S.-China trade war and the new pneumonia epidemic have disrupted the global supply chain, forcing manufacturers to adjust their manufacturing bases to ensure stable production and sales by diversifying their procurement methods (in terms of geographic location and suppliers). In addition to traditional risks such as trade protectionism, changes in the business environment (system and policy changes), exchange rate changes, natural disasters, and epidemics, climate change and geopolitical risks have become essential factors affecting the supply chain.

Taiwan plays an essential role in the international industrial structure, mainly in OEM for international major brands, especially in the information and communication industry, from assembly, intermediate component manufacturing, and design to high-end wafer foundry. Given that the Indo-Pacific region will become the most critical region for global economic development in the future, especially at a time when Southeast Asia and India's manufacturing potential is on the rise, how Taiwan can remain an indispensable part of the global supply chain under the current transformation of the U.S.-China supply chain decoupling is not only crucial for Taiwan's economic development but also affects Taiwan's national security. There are two areas for Taiwan to focus on in the Indo-Pacific regional supply chain:

### **1. Strengthen Taiwan's Partnership in the Indo-Pacific Regional Supply Chain Through Dual Supply Chains**

Since China is still the primary source of economic growth in the world and is the primary source of supply of components and raw materials, most companies from different countries maintain their production scale in China but place their new investments outside of China, and few companies completely withdraw from the Chinese market. For example, in September last year, Australia, India, and Japan proposed the Supply Chain Resilience Initiative (SCRI) to strengthen the supply chain through digital technology and trade and investment diversification will eventually lead to strong, sustainable, balanced and inclusive economic growth in the region. The three countries officially launched the Supply Chain Resilience Initiative at the end of April 2021 and will meet once a year and may consider expanding the Supply Chain Resilience Initiative when time is appropriate. Japan, Australia, and India have poor relations with China, with Japan and India having territorial disputes with China and Australia being subject to Chinese economic sanctions. Therefore, the Supply Chain Resilience Initiative can be considered a competition under the Regional Comprehensive Economic Partnership (RCEP)

framework.<sup>22</sup> In addition, Japan and Australia are actively strengthening their supply chain cooperation with ASEAN, hoping to win the competition with China for ASEAN countries' support. On the other hand, India is actively pursuing investment in high-tech manufacturing through the Production Linked Incentive (PLI), and some Taiwanese companies such as Hon Hai and Wistron have already achieved some results.<sup>23</sup>

“The Supply Chain Resilience Initiative (SCRI)” is still in the development stage but is currently being enriched. The Quadrilateral Security Dialogue (QUAD) held its first face-to-face leaders' meeting in Washington, D.C., on September 24 this year and proposed two initiatives to address international supply chain issues—the Semiconductor Supply Chain Initiative (SSCI) and the Green-Shipping Network.<sup>24</sup> Both semiconductor and maritime transport are important industries for Taiwan. If Taiwan can join the “Supply Chain Resilience Initiative” or the “Quadrilateral Security Dialogue,” it will benefit Taiwan's economy and trade.

## **2. Assume the Role of Supply Chain Manager**

After two waves of southbound policies, Taiwan has gradually established a significant production base in Southeast Asia. In the past ten years, Taiwanese companies in the electronics industry have invested nearly US\$14 billion in Vietnam, Indonesia, Thailand, and the Philippines, with the most considerable amount in Vietnam at US\$8.73 billion, followed by Thailand at US\$2.26 billion, Indonesia at US\$1.53 billion and the Philippines at US\$1.46 billion. In the past 30 years, Taiwanese companies have played the hub between brand customers and downstream supply chain manufacturers, but Taiwan should no longer be complacent with the assembly. However, it should use the different resources of the Indo-Pacific region, such as industrial clusters, human resources, or natural resources, to build a traditional supply chain across the Indo-Pacific and further leverage the digital supply chain to grasp more links its customer supply chain

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<sup>22</sup> Although India is not a member of the Regional Comprehensive Economic Partnership.

<sup>23</sup> Danish Khan, “Apple iPhone Makers Foxconn, Wistron on Track to Achieve PLI Targets, Pegatron to Take Time,” *Economic Times*, September 20, 2021, <https://reurl.cc/yemyX6>.

<sup>24</sup> “Fact Sheet: Quad Leaders' Summit,” *The White House*, September 24, 2021, <https://reurl.cc/73j2ml>.

manager and integrator.

In particular, Taiwan and Japan have a long history of economic cooperation, and the two countries have been cooperating closely in the supply chain. Moreover, since Japan has been operating in Southeast Asia since the colonial era before World War II, it has a deep business network, understands the local resources, and has established a complete supply chain system. Therefore, if we can use the existing business foundation of Taiwan and Japan, we can strive to enter the supply chain system of Japanese companies in Southeast Asia and jointly develop the market, which may be a shortcut for Taiwanese companies to expand their supply chain in Southeast Asia.

## **V. Conclusion**

The U.S.-China trade war and the Newcastle pneumonia epidemic have affected global production and consumption, resulting in supply chain disruptions, but their impact on supply chain restructuring and the withdrawal of companies from China is different. Although major industrialized countries have made efforts to assist manufacturers in relocating their production bases, the results have not been significant. In addition to the fact that mainland China remains an important market, manufacturers' conditions, such as where the sales market is, whether their products are affected by tariffs, how easy it is to move production lines, and the ability to pass on price increases, all affect the urgency of their relocation of production bases. However, to stabilize the production line's supply capacity, new investment in China should be reduced in the future, and new production lines should be moved elsewhere.

Taiwan manufacturers face a high degree of uncertainty in the general environment, and dual supply chains may be the way forward. In addition to maintaining supply chain capacity in China, new investments in new southbound countries will help Taiwan companies to develop a deeper supply chain in ASEAN countries. In addition, Taiwan can also join hands with other like-minded

countries, such as the U.S. and Japan, to establish supply chain cooperation in third places, stabilize and expand Taiwan's position in the Indo-Pacific supply chain. In the future, Taiwan should strengthen its participation in regional supply chain cooperation to enhance its position in the supply chain and strive to become the manager and integrator of the supply chain in the Indo-Pacific region.

# Chapter 15

## The Impact of the Myanmar Coup on Regional Security in Southeast Asia

Joyce Lin\*

### I. Introduction

The military coup in Burma in February 2021, which overthrew the then-legal government, is a member of the Association of Southeast Asian Nations (ASEAN), and its internal political turmoil will affect ASEAN's regional security and peace and stability. In addition, China, the U.S., Russia, and other major powers are all highly concerned about the Myanmar coup and the development of ASEAN regional security and are waiting for the opportunity to act in their best interests. This publication will analyze the impact and trend of the coup in Burma from the beginning and end of the coup, the attitude of various sectors toward the coup, and the impact of the coup on regional security in Southeast Asia.

### II. History of the Myanmar Coup

In post-World War II Myanmar, the Burma Socialist Programme Party (BSPP), led by General Ne Win, was a one-party military dictatorship from 1962 to 1988.<sup>1</sup> In December 1990, the military government held national elections in 1990. The National League for Democracy (NLD), led by Aung San Suu Kyi, won the

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<sup>1</sup> "Myanmar Profile-Timeline," *BBC News*, September 3, 2018, <https://www.bbc.com/news/world-asia-pacific-12992883>.

elections, but the military government declared the United National Government of the Union of Burma (UNGUB) illegal, and the government became a government in exile.<sup>2</sup> Since then, the military government has held power in Burma. However, in October 2010, the State Peace and Development Council issued a decree changing the country's name from the Union of Burma to the Union Republic of Burma, still under a military government.<sup>3</sup> In November 2015, Burma held its first general election in 25 years, in which the NLD, led by Onsan Suu Kyi, came to power, ending 54 years of military rule, and the NLD and the military formed a government in accordance with the constitution, with Onsan Suu Kyi serving as a state minister.

Three months before the coup, in the 2020 parliamentary elections in Myanmar, the NLD won the election, and the Burmese military disputed the results, claiming electoral fraud.<sup>2</sup> In January 2021, Burmese military spokesman Brigadier General Zaw Min Tun again called on the election commission to provide a final list of voters for a vote count. The Burmese National Defence Force commander-in-chief, Min Aung Hlaing, raised the possibility of abolishing the constitution.<sup>4</sup>

On January 28, 2021, the Union Election Commission of Burma denied the fraud. In the early hours of February 1 of the same year, the Burmese National Defense Force (MNDF) launched a military coup on the grounds that the 2020 parliamentary elections were fraudulent, and the military government declared a one-year state of emergency in Burma. U Win Myint, members of the central government cabinet, and 14 provinces and states leaders were arrested. Subsequently, anti-coup demonstrations erupted across Burma, and the military used heavy-handed tactics to suppress them, resulting in some 1,000 deaths and thousands of detainees.<sup>5</sup>

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<sup>2</sup> "Coup in Burma: Implications for Congress," *Congressional Research Service*, May 12, 2021 Congressional, p. 4.

<sup>3</sup> "Myanmar Profile-Timeline," *BBC News*, September 3, 2018, <https://www.bbc.com/news/world-asia-pacific-12992883>.

<sup>4</sup> "Commander-in-chief Says 'Constitution Can be Repeated'," *Myanmar Now*, January 28, 2021, <https://www.myanmar-now.org/en/news/commander-in-chief-says-constitution-can-be-repealed>.

<sup>5</sup> "Myanmar's Coup and Violence, Explained," *The New York Times*, May 29, 2021, <https://www.nytimes.com/article/myanmar-news-protests-coup.html>.

By August 2021, more than 960 people had been killed and thousands arrested or detained, including foreigners and more than 100 children. In the same month, Min Aung Hlaing appointed himself prime minister and promised to hold elections by 2023.<sup>6</sup>

### III. Stances toward the coup in Myanmar

#### 1. The United Nations

In June 2021, the UN General Assembly passed a resolution condemning the Burmese military government, calling the Burmese military to release political prisoners such as Onsan Suu Kyi and other detainees, the crackdown on protesters, and calling on countries to stop selling arms to Burma. The resolution was supported by 119 countries, with Belarus being the only country to vote against it and 36 other countries abstaining, such as Thailand and Cambodia, both members of the ASEAN, and Russia and China, the two largest suppliers of arms the Burmese military.<sup>7</sup>

The resolution is not binding under international law. However, it has political significance, with EU Ambassador Olof Skoog stating that it “delegitimizes the military government and condemns its violence and abuse of its people, demonstrating the global isolation of the Burmese military government.”<sup>8</sup>

In August 2021, UN Special Envoy to Burma Christine Schraner Burgener told a press conference in New York that six months after the coup, Burma’s military leaders now appear to be consolidating their rule, and that the junta may forcibly dissolve the NLD, and that the situation in Burma remains very worrying in the face of a severe third wave of the COVID-19 pandemic.<sup>9</sup>

<sup>6</sup> “Myanmar Military Leaders Attempting to Legitimize Power: UN Special Envoy,” *UN News*, August 10, 2021, <https://news.un.org/en/story/2021/08/1097452>.

<sup>7</sup> “Myanmar: Timely Support and Action by Security Council ‘Really Paramount,’ Says UN Special Envoy,” *UN News*, June 18, 2021, <https://news.un.org/en/story/2021/06/1094322>.

<sup>8</sup> “Myanmar Coup: UN Calls for Arms Embargo Against Military,” *BBC News*, June 19, 2021, <https://www.bbc.com/news/world-asia-57536032>.

<sup>9</sup> “Myanmar Military Leaders Attempting to Legitimize Power: UN Special Envoy,” *UN News*, August 10, 2021, <https://news.un.org/en/story/2021/08/1097452>.

## 2. ASEAN

The ASEAN invited Myanmar's military leader Min Aung Hlaing to a summit meeting on April 24, 2021, and reached a consensus on five points,<sup>10</sup> which were as follows:

- (1) All parties must immediately end violence and maximum self-control.
- (2) The parties should start a dialogue to find a peaceful solution for the people.
- (3) The ASEAN Chairman appointed a special envoy to Myanmar to facilitate and mediate the dialogue process.
- (4) ASEAN provides humanitarian assistance.
- (5) The Special Envoy goes to Myanmar to meet with the parties.

After the ASEAN summit reached the “five-point consensus,” Indonesian President Joko Widodo and former Malaysian Prime Minister Muhyiddin Yassin said that Min Aung Hlaing had committed. However, the Burmese military said in a statement on April 26 that it would “carefully consider ASEAN’s constructive proposals once the situation has stabilized”.<sup>11</sup>

The foreign ministers of Malaysia, Indonesia, the Philippines, and Singapore jointly called on the military to release Onsan Suu Kyi and others. Despite the ASEAN’s claims of solidarity, individual countries have been inconsistent. Singapore, the largest foreign investor in Burma, has been more forceful, expressing “grave concern” in a statement and describing the use of lethal force against protesters as “unforgivable”. Even so, Singapore, whose economic priorities are paramount, is reluctant to impose economic sanctions on the Burmese military.<sup>12</sup>

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<sup>10</sup> “ASEAN Changed Myanmar Statement on Release of Political Detainees-sources,” *Reuters*, April 25, 2021, <https://www.reuters.com/world/asia-pacific/asean-changed-myanmar-statement-release-political-detainees-sources-2021-04-25/>.

<sup>11</sup> “Special Column, Myanmar Military’s Continued Military Repression of ASEAN Summit 5 Consensus May Become Empty Talk,” *Central News Agency*, May 7, 2021, <https://www.cna.com.tw/news/firstnews/202105070357.aspx>.

<sup>12</sup> “Soldiers’ Intervention in Politics Has no Solution in the Short Term! The Sino-Russian Siege, the Neighboring Countries Plan to Sanction Myanmar, only the United States Can’t Win,” *China Central Radio*, June 24, 2021, <https://www.rti.org.tw/news/view/id/2103576>.

With the support of Cambodia and Laos, Thailand and Vietnam advocated accepting the coup in keeping with the ASEAN tradition of non-interference in the internal affairs of states. Indonesia, Malaysia, and Singapore condemned the Burmese military government's force against unarmed civilians. It noted that the ASEAN member states' constitutional commitments included "respect for fundamental freedoms, promotion and protection of human rights, and promotion of social justice" and that positive action should be taken. Therefore, there was no unanimity within ASEAN regarding the coup in Burma.<sup>13</sup>

### 3. China

The U.S. and European countries urged the international community to sanction trade, investment, military exchanges, and the supply of military equipment to Burma. However, the military government did not take the sanctions imposed by the U.S. and European countries seriously because they were not significant participants in Burma's economy. Burma's neighbors China, India, Thailand, and Bangladesh, are crucial international trading partners and have not yet discontinued trade with Burma; Japan and some Asian companies have reduced or cut off business with the Burmese military, but their official governments have not formally imposed economic sanctions on Burma. In addition, the two largest suppliers of arms to Burma, China, and Russia, remain in close contact with the Burmese military and have prevented the UN Security Council from passing a resolution banning arms sales to Burma.<sup>14</sup> In other words, economic sanctions have not impacted the Burmese military government.

The Chinese government has had close ties with Burma's authoritarian military leaders over the past several decades, and Beijing's influence in Burma has grown in recent years through its "One Belt, One Road" program. The Chinese government did not explicitly express support for the Burmese military at the beginning of the coup, but its refusal to condemn the military takeover at the UN

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<sup>13</sup> "ASEAN's Myanmar Dilemma," *East Asia Forum*, May 23, 2021, <https://www.eastasiaforum.org/2021/05/23/aseans-myanmar-dilemma/>.

<sup>14</sup> *Ibid.*

Security Council<sup>15</sup> is indicative of its true intentions.

On June 7, 2021, State Councilor and Foreign Minister Wang Yi stated China's position on the current situation in Myanmar when he chaired an extraordinary foreign ministers' meeting on the 30<sup>th</sup> anniversary of the China-ASEAN dialogue: "China supports ASEAN in playing a constructive role inadequately addressing Myanmar's internal problems, and as China is also a close neighbor of Myanmar, the situation in Myanmar directly concerns China's interests. China is also highly concerned about the situation in Myanmar and is willing to continue to play a constructive role in its way."<sup>16</sup>

China's Permanent Representative to the UN, Zhang Jun, also said during the Security Council's deliberations on Burma, "I hope that all parties will respect Burma's sovereignty and that the current problems in Burma are internal. China hopes that all parties will adhere to the purposes and principles of the UN Charter, respect Burma's sovereignty, political independence, territorial integrity, and national unity, uphold an objective and impartial attitude, support the efforts of regional states, and avoid unilateral sanctions and inappropriate intervention."<sup>17</sup>

In August 2021, the foreign ministry under Burma's military government announced that China would fund more than \$6 million of Burma's military government's development. This was a sign of renewed cooperation between Beijing and the Burmese military government; Burmese anti-coup activists criticized this move as tantamount to supporting a violent coup by the Burmese military government.<sup>18</sup> From experience, it can be concluded that China was once again happy to take advantage of this coup to actively build a new political and military presence in Burma and intervene in the political direction of Burma.

<sup>15</sup> Myanmar Coup: UN Passes Resolution to Urge Countries to Abstain from Arms Embargo on Myanmar, China and Russia," *BBC Chinese*, June 19, 2021, <https://www.bbc.com/zhongwen/trad/world-57536841>.

<sup>16</sup> "Wang Yi Talks about the Situation in Myanmar," *CCTV News*, June 7, 2021, <http://m.news.cctv.com/2021/06/08/ARTI2HC7HQtb5zkxhMcBBA8T210608.shtml>.

<sup>17</sup> "Chinese Representative Calls on All Parties to Create Favorable External Environment for Myanmar's Domestic Political Reconciliation," *Xinhua Net*, June 19, 2021, [http://www.xinhuanet.com/world/2021-06/19/c\\_1127578152.htm](http://www.xinhuanet.com/world/2021-06/19/c_1127578152.htm).

<sup>18</sup> "China to Fund Myanmar Projects in Agreement with Junta," *Reuters*, August 11, 2021, <https://www.reuters.com/world/china-fund-myanmar-projects-agreement-with-junta-2021-08-11/>.

#### 4. The United States

In February 2021, President Joe Biden called on U.S. allies and the international community to unite to support the defense of democracy in Burma. In the weeks following the coup, the Biden administration imposed a series of economic sanctions, including strict export controls on companies associated with the Burmese junta, such as Myanmar Economic Corporation, Myanmar Economic Holdings Ltd., and state-owned timber and gemstone companies. The U.S. government also issued entry restrictions on military leaders and their families to limit the military government's access to aid funds.<sup>19</sup>

In March of that year, the Biden Administration announced that it would provide humanitarian protection to Burmese nationals and residents in the United States. The U.S. Trade Representative's Office announced the immediate suspension of all trade transactions with Burma under the 2013 Trade and Investment Framework Agreement (TIFA).<sup>20</sup>

In July of the same year, Secretary of State Antony Blinken expressed "grave concern" about the military coup in Burma and called on Southeast Asian countries to end the violence and restore democracy in Burma. State Department spokesman Ned Price issued a statement noting that Blinken called on the ASEAN countries to take "immediate action" on Burma in accordance with the five-point consensus reached in April of the same year.<sup>21</sup>

In August of the same year, Deputy Secretary of State Wendy Sherman spoke with Zin Mar Aung, acting foreign minister of the National Unity Government, a shadow government formed by anti-military elements. In a statement, Price said the U.S. would continue to support the Burmese pro-democracy movement, assist with Burma's warming COVID-19 pandemic, and provide humanitarian assistance

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<sup>19</sup> "Coup in Burma: Implications for Congress," *Congressional Research Service*, May 12, 2021 Congressional, p. 6.

<sup>20</sup> *Ibid.*, p. 7.

<sup>21</sup> "Blinken Urges ASEAN to Take Action on Myanmar Coup," *China Central Radio*, July 14, 2021, <https://www.rti.org.tw/news/view/id/2105413>.

to the Burmese people.<sup>22</sup>

#### **IV. The Impact of the Myanmar Coup on Regional Security in Southeast Asia**

The coup in Myanmar drew international condemnation, but the Burmese military ignored international pressure and denied entry to UN Special Envoy to Myanmar, Burghardt, and the ASEAN diplomatic envoy.<sup>23</sup>

The April 2021 ASEAN summit was Min Aung Hlaing's first visit since the coup took power. After reaching a five-point consensus on Burma, the ASEAN Intergovernmental Commission on Human Rights (AICHR) representative from Indonesia, Yu Yun, considered ASEAN's failure to include the release of political prisoners in the "five-point consensus" to be of limited use. Charles Santiago, chairman of the ASEAN Parliamentarians for Human Rights (APHR) and a member of the Malaysian parliament, said that ASEAN should put forward a clear timetable as soon as possible and insist that Min Aung Hlaing fulfill its promise and release political prisoners.<sup>24</sup>

Since the establishment of the ASEAN in 1967, there have been numerous military coups in Thailand, one of the founding countries, but the ASEAN has never convened a meeting on this issue. Therefore, the international community is particularly concerned about whether the April summit will challenge the long-standing ASEAN principle of "non-interference in the internal affairs of member states." However, Indonesia successfully convened the summit, but Thai Prime

<sup>22</sup> "Asean's Special Envoy to Myanmar, US Deputy Secretary of State Calls with Representatives of the Shadow Government," *China Central News Agency*, August 5, 2021, <https://www.cna.com.tw/news/aopl/202108050060.aspx>.

<sup>23</sup> "Myanmar Junta Refuses UN Envoy Visit," *The Star*, April 10, 2021, <https://www.thestar.com.my/aseanplus/aseanplus-news/2021/04/10/myanmar-junta-refuses-un-envoy-visit>; "Myanmar Junta Says no ASEAN Envoy Visit Until Stability Restored," *Reuters*, May 7, 2021, <https://www.reuters.com/world/asia-pacific/myanmar-junta-says-seeks-stability-before-allowing-asean-envoy-visit-2021-05-07/>.

<sup>24</sup> Shi Xiujuan, "Special Column, Burmese Military's Continued Military Suppression of ASEAN Summit 5 Consensus May Become Empty Talk," *Central News Agency*, May 7, 2021, <https://www.cna.com.tw/news/firstnews/202105070357.aspx>.

Minister Prayut Chan-ocha and Philippine President Rodrigo Duterte chose not to attend the meeting,<sup>25</sup> indicating the negative attitude of Thailand and the Philippines towards the Burmese coup.

Thailand's language on the Burma coup was milder than that of Indonesia, Malaysia, the Philippines, and Singapore, stating only that it was "gravely concerned" about the escalating bloodshed since the Burma coup, although its geographical location and tradition of cautious diplomacy explain its caution in commenting on the coup, given that the border between Thailand and Burma is 2,400 kilometers long and the economic, trade, and refugee issues at stake are more complex than those of any other ASEAN member state.<sup>26</sup>

Although the Philippines was absent from the summit, the Philippine Department of Foreign Affairs emphasized Manila's support for Burma's sovereignty and territorial integrity<sup>27</sup> and its opposition to regional or multilateral framework solutions imposed by outside powers.<sup>28</sup> This suggests that the Philippines does not believe that the international community or ASEAN should take too aggressive a sanction to avoid violating the principle of "non-interference in the internal affairs of member states.

Drawing on historical experience, in September 2007, monks and people in Burma took to the streets to protest rising oil prices and government tyranny, only to be brutally suppressed by government forces, causing a worldwide outcry and condemnation. The ASEAN Summit in November of that year did not formally condemn the incident but merely backed off, conceded, and returned to

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<sup>25</sup> Tang Nanfa, "The Road to Hell Paved by Diplomacy: Why Is ASEAN's 'Myanmar Peace Plan' Doomed to Bloody?," *UDN*, May 6, 2021, [https://global.udn.com/global\\_vision/story/8663/5438497](https://global.udn.com/global_vision/story/8663/5438497).

<sup>26</sup> "Analysis: Myanmar's Neighbour Thailand Unlikely to Toughen Stance on Coup," *Reuters*, April 2, 2021, <https://www.reuters.com/article/us-myanmar-politics-thailand-analysis-idUSKBN2BPOLN>.

<sup>27</sup> "Citing Myanmar's Sovereignty, PH Won't Join UN Resolution vs. Military Takeover," *CNN Philippines*, February 13, 2021, <https://cnnphilippines.com/news/2021/2/13/philippines-myanmar-military-coup-un-human-rights-council.html>.

<sup>28</sup> "Philippine Statement for the Special Session of the Human Rights Council on the Human Rights Implications of the Crisis in Myanmar on 12 February 2021," *Department of Foreign Affairs, Philippines*, February 12, 2021, <https://dfa.gov.ph/dfa-news/statements-and-advisoriestupdate/28619-philippine-statement-for-the-special-session-of-the-human-rights-council-on-the-human-rights-implications-of-the-crisis-in-myanmar-12-february-2021>.

its fundamental principles, reiterating “non-interference in the internal affairs of ASEAN member states” and calling for “respect for the right of each member state to exist free from external interference, subversion, or coercion.” The ASEAN Chairman’s Declaration weakly calls for the Burmese military ruling party to “work toward peaceful transfer and democracy” and lift restrictions on Onsan Suu Kyi. In terms of building a broad regional community, no matter how the ASEAN strategy changes, it is a fact that cannot be hidden that weak states cannot shape the destiny of solid states.<sup>29</sup> ASEAN is a regional organization that has never had any real influence on the internal affairs of states, or even stood by and watched from the sidelines, and is by nature a highly heterogeneous group, with different political and economic cultures among its member states, making it fundamentally challenging to develop a common identity. It is fundamentally challenging to develop a common identity. In this way, the U.S., China, Russia, and other major powers have intervened in the coup d’état of each country. While the significant powers superficially agree to maintain the peaceful consensus and operation of ASEAN, in reality, they each use their military and economic strength to draw in and build strategic power from ASEAN countries, making it even more challenging to form a consensus within the ASEAN member states, which are already at odds with each other. What is more, the strong countries will use their political and economic power to hijack the vulnerable countries in ASEAN. The weak countries can express their positions in the international arena for their strategic interests and secretly manipulate the operation of ASEAN.

## V. Conclusion

Since the 1970s, Cambodia, Laos, and Vietnam in Southeast Asia have fallen to the Soviet Union, creating a “red threat.” During Min Aung’s visit to Moscow in June 2021, Russian Defense Minister Sergei Shoigu stated that Russia regards

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<sup>29</sup> Song Xingzhou, Lin Peini, “Southeast Asian Nations Association and Regional Security,” *Global Political Review*, No. 25, 2009, pp. 22, 44.

Myanmar as a long-tested strategic partner and reliable ally in Southeast Asia and the Asia-Pacific region.<sup>30</sup>

In addition, China has long had a close relationship with the Burmese military government, and this time China has directed the coup in Burma toward its internal political issues, just as it has asked the international community not to interfere in China's internal political issues, and has backstabbed the military government in an attempt to make it more pro-China. Burma's domestic political and economic problems have been exacerbated by deepening international influence in Southeast Asia. The U.S. used to have a certain degree of influence in Burma, but its influence in Burma has declined in recent years.

Burma's political instability has had a knock-on effect on economic and commercial interests throughout Southeast Asia. However, the ASEAN countries have their calculations and have not yet taken active steps to avoid affecting their interests, citing their reluctance to interfere in the internal affairs of other countries. The Burmese military government is moving between Russia, China, the United States, and other major powers in the diplomatic, military, political, and economic spheres to consolidate the new relationship and obtain the best benefits. As a result, the political turmoil in Burma is likely to continue for several years.

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<sup>30</sup> "Myanmar Coup Turns Russian Power Back into Southeast Asia," *Central Radio*, July 14, 2021, <https://www.rti.org.tw/news/view/id/2104947>.



# Conclusion

Since the Biden administration took office in January, the U.S.-China strategic confrontation has not de-escalated as expected. On the contrary, since the outbreak of the COVID-19 epidemic, China has used the epidemic as a cover-up for investigations into the source of the epidemic and as a means of preventive diplomacy, as well as through vaccine aid, to pressure our diplomatic partners. In addition, even amid a severe global epidemic, China is still demonstrating a strong expansionist attitude in the regional situation by sending warships and military aircraft to patrol the South China Sea, the Taiwan Strait, and the East China Sea, using maritime militias to oppress the Philippines, and frequently sending military aircraft to patrol the airspace southwest of Taiwan in an attempt to destroy the integrity of Taiwan's air defense identification zone.

In addition, China's suppression of human rights in Xinjiang and Tibet, and its self-imposed "national security law," which directly disqualifies incumbent legislators and stifles democracy and human rights in Hong Kong, have made the world realize the true nature of China and worry that democratic Taiwan will become the next Hong Kong, a sacrificial lamb under China's totalitarian rule. The international community unanimously believes that Taiwan's democratic political development has become a model for the Chinese in East Asia. If Taiwan is occupied and ruled by China, it will endanger democracy in East Asia and the world. In recent years, the development of semiconductor and chip technology in Taiwan has long dominated the world's chip supply chain. In the event of a war in the Taiwan Strait, the world's chip-dependent high-tech industries, such as automobiles, cell phones, and information and communication products, would be seriously affected, and the EU countries would be no exception.

In terms of geostrategy, in the past, the EU and NATO were only concerned with regional situations that were relevant to their security, such as support for the Libyan resistance after the "Jasmine Revolution" in North Africa; the settlement and governance of the large number of Syrian and Turkish refugees fleeing to

Europe during the expansion of the Islamic State; and the assistance of Ukraine are facing the Russian military threat after the annexation of Crimea by Russia. Nevertheless, since China's military rise and expansion, the focus of EU and NATO attention has gradually expanded from Western Europe and the Middle East to the Indo-Pacific region. Moreover, in the past year, European countries such as the United Kingdom, France, the Netherlands, and Germany have sent ships from Europe to sail in the Western Pacific, demonstrating their determination and ability to work with allies to maintain peace and stability in the Western Pacific.

Although China is actively trying to expand its influence on the world through the Belt and Road Initiative, China's actions of taking control of investment projects in specific countries in the name of aid have led the recipient countries into debt traps and forced them to give up the leadership of significant infrastructure projects. For example, Malaysia and Vietnam in Southeast Asia, Pakistan in Central Asia, and Sri Lanka in South Asia. It is noteworthy that Eastern European countries have been transformed into democracies and have received economic and security assistance from the U.S. and NATO due to their subsequent accession to NATO. China's "One Belt, One Road" was initially intended to target these Eastern European countries to counteract U.S. influence on them.

For example, Romania has rescinded its nuclear power plant agreement with China in favor of cooperation with NATO countries; Prague, Czech Republic, has abandoned Beijing in favor of a sister city with Taipei, whose Speaker insisted on visiting Taiwan and said the classic "I am a Taiwanese" in the Legislative Yuan; and Lithuania, located on the Baltic Sea, has rejected China's participation in a deep-water port project. These Eastern European countries were taught early lessons about the communist rule and are more aware of and alert to China's expansionist designs.

Undeniably, the deterioration of U.S.-China relations and China's authoritarian regime and expansion have made Chinese investments in Europe sensitive and unwelcome and have caused a significant turnaround in Taiwan's relationship with the European Union. In particular, Taiwan has been repeatedly suppressed and marginalized by China in the international diplomatic space. It has to face a

robust military threat from China alone, which has led EU countries to form new collective security and military alliances with countries in the Indo-Pacific region, such as the Australia-UK-Australia Security Partnership (AUKUS) of the United States, Britain, and Australia, after understanding China's plans to dominate the world order. "There are also signs of a revival of past Cold War security mechanisms, such as the Five Eye Alliance and the Five Power Joint Defense System, all of which are designed to counter Chinese expansion.

Although China has not yet become a peer competitor to the U.S. military, it has the economic, trade, and technological capabilities to challenge U.S. hegemony over its allies in the Asia-Pacific region and to have a severe security impact on U.S. military activities in East Asia. As China's overall power rises, it takes a more aggressive and assertive stance in its neighboring regions, causing concern among neighboring countries and the United States. The Biden administration will not only continue the alliances and partners of the U.S., Japan, India, Australia, and Taiwan under the Trump era, but will also include the UK, France, Vietnam, and other countries to influence the security of the sensitive East China Sea, Taiwan Sea, and the South China Sea.

As the strategic confrontation between the U.S. and China rises, Britain's post-Brexit military cooperation with the U.S. has deepened and is returning to Asia; Britain's past security mechanisms in Asia may be more active as a result. For example, the intelligence-based "Five Eye Alliance" has strengthened its intelligence collection and exchange with China; it will undoubtedly assume a regional security role with the UK's return to Asia. In addition, the world is aware that China's intense pressure on Xinjiang, Tibet, and Hong Kong in recent years will lead to a tougher stance on the Taiwan Strait and the South China Sea in the future, forcing sovereign states to give up their rights.

Once China starts to act, the substantial expansion of the authoritarian regime will impact the security and interests of the Indo-Pacific and the world. Therefore, before China's military capability surpasses that of the United States, it is imperative to combine the power of regional countries to prevent its unbridled expansion with the joint force of collective security mechanisms. In particular,

with the active facilitation of the U.S., Japan, and Australia, if the original strategic alliance and collective security structure can be extended and expanded, the existing collective security mechanism will also play a new function. Therefore, the development of the Indo-Pacific region will continue to focus on the changes in the strategic confrontation between the United States and China. However, while China's Xi Jinping may adopt a policy of temporary concessions in the face of the upcoming 20<sup>th</sup> National Congress and its internal economic and external isolation, it will continue to adopt a policy of solid external expansion once Xi Jinping's internal power has been stabilized for the third term, making it the most significant variable in the Indo-Pacific region.

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