

JANUARY 2023

# Emerging Geopolitical and Security Concerns of the Indo-Pacific

CSS DIALOGUE REPORT

THE CENTRE FOR SECURITY STUDIES

# Emerging Geopolitical and Security Concerns of the Indo-Pacific

The Indo-Pacific region has emerged as a critical geopolitical and security focal point in the 21<sup>st</sup> century, captivating the attention of policymakers, analysts, academicians, leaders, and strategists all over the world. From the eastern shores of Africa to the western coasts of the Americas, the Indo-Pacific comprises some of the world's most dynamic societies, influential economies, vibrant cultures, and strategic maritime routes. Over the past few decades, the region has experienced rapid and substantial transformation, characterised by a shift in power dynamics, heightened security challenges, and the convergence of geopolitical interests, making it a pivotal area of study.

This report is the work of 15 Research Interns at CSS, who examined critical issues pertinent to the countries in the Indo-Pacific region. The report aims to offer valuable insights and perspectives that contribute to a deeper understanding of the region's evolving geopolitical and security landscape. By doing so, the report aims to aid in navigating the path towards a secure and prosperous future for the Indo-Pacific.

This report is a product of the Centre for Security Studies, Jindal School of International Affairs.

## Centre for Security Studies

Jindal School of International Affairs

O.P. Jindal Global University



*All rights reserved @CSS, JSIA*

*For queries kindly contact [css@jgu.edu.in](mailto:css@jgu.edu.in)*

# Table of Contents

<b>China's Increasing Influence</b> <i>In Indo-Pacific Island Countries</i> Aaryan Panchal	<b>3</b>
<b>Role of Island Countries</b> <i>Reshaping Security in the Indo-Pacific</i> Aditi Hanninamane	<b>8</b>
<b>China and the Arctic</b> <i>Security Implications for Indo-Pacific</i> Arshdeep Singh Dutt	<b>14</b>
<b>Growing Tensions between China and Taiwan</b> <i>Creating Challenges in the Indo-Pacific Security</i> Gayatri Kasibhatta	<b>21</b>
<b>Securitisation of Climate in the Indo-Pacific</b> Harshita Mahajan	<b>31</b>

## Prologue

*“China’s Increasing Influence”* delves into the increasing military, political, and economic influence of China in the Pacific Island Countries (PIC). This upsurge is primarily driven by the strategic location and geopolitical significance of PICs, as they possess some of the largest Exclusive Economic Zones (EEZs), abundant minerals and marine resources, and offer access to crucial shipping and trading routes.

*“Role of Island Countries”* primarily focuses on the significant role of the Pacific Island Countries and Territories (PICTs) in shaping the Indo-Pacific region. The author highlights the distinctions in the perceptions, priorities and security definitions between these smaller island countries and bigger powers. It analyses how while traditional security threats remain important for these smaller island countries, there are other issues like climate change that take priority for them.

*“China and the Arctic”* investigates the how the Arctic region has captured the attention of China in its bid to become a hegemon. The author illustrates the strategic importance of the Arctic region for China and how it considers itself a “near Arctic state”. Finally, the author illuminates the security implications for the Indo-Pacific if China gains access to this vital region.

*“Growing Tensions between China and Taiwan”* present the escalating tensions between the two neighbours. The author talks about China’s “wolf warrior diplomacy” and “grey zone tactics”, the role of “balancing powers” in the region, Taiwan-Japan relations, and Taiwan-USA relations. Finally, the author assesses the consequences of a war, if there were to be one, between the 2 countries.

*“Securitisation of Climate in the Indo-Pacific”* focuses on the contemporary need to understand the interplay between climate change and existing security challenges. The author argues how climate change has the potential to adversely affect the national security of nations, especially those in the Indo-Pacific. Finally, the paper highlights the need for a collective response from diverse actors, organizations, nations, and their governments to tackle the challenges emanating from climate change.

---

# China's Increasing Influence

## In Indo-Pacific Island Countries

*Aaryan Panchal*

---

### Introduction

The Indo-Pacific region, comprising the tropic waters of the Indian Ocean, the central and western Pacific Ocean, and the Seas between the general areas of Indonesia is the fastestgrowing region in the world.<sup>1</sup> This region, stretching from Eastern Africa to West Asia, has been growing in strategic influence with some authors referring to it as the “fulcrum of geopolitics”.<sup>2</sup> The name of the region may be contested by different major powers of the world but the fundamental concept of the region and its evolving significance in geopolitics is not in question. But alongside the emerging strategic high-tide of the Indo-Pacific, the region is beset with equally colossal security risks which arise from a myriad of different factors, which include but are not limited to the arms race ensuing, the rise of malevolent non-state actors, and governance issues, especially regarding maritime jurisdiction.<sup>3</sup>

The most important issue regarding the Indo-Pacific region is no doubt the exponential rise of China. China, especially after the fall of the Soviet Union, has witnessed superb growth in economic, military, and cultural spheres and has emerged as a regional superpower in the Asia-Pacific region and the world. As is well established, China is not satisfied with the status quo in global geopolitics and wishes to assert itself on the world stage. China's ambitions are grand, but it must first emerge uncontested in the Indo-Pacific region. It must counter India's influence in the region whose aims, and objectives are often diametrically opposed to those of China, and it must also fend off other great powers such as the United States and Japan who alongside other actors have formed an alliance against her. One of the more important steps China has undertaken in this regard is to advance its influence and strengthen diplomatic alliances with small islands around her, especially the Pacific Islands.

Islands in the Pacific Ocean are divided into three categories: Melanesia, Micronesia, and Polynesia. These three islands are together known as the Pacific Island Countries (PIC). The Pacific islands were largely a backwater during the Cold War and were relatively insulated from the impact of US–Soviet strategic competition.<sup>4</sup> However, in the past few years, these island countries have come to occupy an increased role in global geopolitics. Not internally or intrinsically since these are relatively tiny countries due to which they have little ambition, but due to

major powers re-realizing the strategic importance of these islands which was largely forgotten after the World Wars. The PICs have especially become targets for Chinese influence and expressions of both hard and soft power.<sup>5</sup> In the past few decades, China has increased its economic and military aid to many countries in the Pacific Island group in addition to an increase in political visits as well. These efforts clearly reflect China's efforts to increase its influence in the Indo-Pacific region by establishing trade and diplomatic relations with the PICs. China's increased efforts in the PICs have been mostly successful as most of them have aligned their votes in international forums with those of China and importantly for China, have supported her in her Taiwan cause. As we shall also see, China's increased influence in the PICs has seen a counterbalancing act by major powers like the United States and Australia which have taken note of China's influence and increased their aid and investment in the island countries. The PICs will have a massive role to play in global geopolitics and security in the coming years with major powers of the world looking to use them as pawns to increase their authority and influence.

## Why Small Nations?

President Franklin Roosevelt once said, across the Pacific "Islands, hundreds of them, appear only as small dots on most maps. But they cover a large strategic area."<sup>6</sup> These are mostly tiny islands which have, due to their size, little ambition. But, despite their size, such small islands have been called "game changers" with "enduring significance" in the Indo-Pacific.<sup>7</sup> They possess some of the largest Exclusive Economic Zones (EEZs) in the world which span about thirty million square kilometres.<sup>8</sup> These islands are also extremely rich in minerals, marine resources, fisheries, and minerals which greatly increases their economic potential so much so that it has led some nations to call these islands "Big Ocean States" instead of Small Island States.<sup>9</sup> Moreover, by virtue of their location, the PICs have great trade and shipping routes which an ally of theirs could gain access. Apart from their geo-economic advantages, on the diplomatic front, these islands are surprisingly useful. At international forums, like the United Nations, the small island nations possess a vote each which makes them a potential vote bank for large powers.<sup>10</sup> Historically, the locational advantages accruing from islands had "undeniable attraction" for large powers, drawing them in a "small islands suction effect" (SISE).<sup>11</sup> They were used as launchpads and temporary bases before and especially during the World Wars by major powers.

These islands continue to serve as "logistical staging points"<sup>12</sup> but have lost some of their importance after the world wars. They were largely a backwater during the Cold War and were relatively insulated from the impact of US-Soviet strategic competition.<sup>13</sup> However, as we saw in the introduction, these PICs have gained significant importance in the past few years as the major powers began re-discovering

them. China especially has emerged as a key aid, investment, and trade partner for most states in the South Pacific.<sup>14</sup> China's interest in the PICs may have to do with her conflict with Taiwan for which China hopes to get these islands' support and moreover, reduce Taiwan's international space. In this, China has been relatively successful as we shall see later. Moreover, good diplomatic relations with the island countries would help China in her ambitious Belt and Road Initiative (BRI) and the Maritime Silk Road (MSR) project. Good footing with the PICs would also help China gain access to their trade and shipping routes and abundant maritime natural resources. For the above reasons, China has stepped up their economic and military aid to the PIC which has had important political implications.

## **Economic Aid**

In recent years, China has emerged to rank first in trade in the Indo-Pacific region.<sup>15</sup> China spent around 1.78 billion US Dollars from 2006 to 2015 itself, making the PIC's trade with China increase seven-fold in the first decade of the 21<sup>st</sup> century.<sup>16</sup> According to a fact sheet released by the Ministry of Foreign Affairs of the People's Republic of China, China has implemented more than 100 aid projects, delivered more than 200 batches of in-kind assistance, and trained about 10,000 talents in various fields. China has also dispatched 600 medical staff to PICs, benefiting more than 260,000 residents. During the Covid-19 pandemic, China had also provided PICs with nearly 600,000 doses of vaccines and more than 100 tons of anti-epidemic supplies.<sup>17</sup> Though in the fact sheet, it is mentioned that the aid to the PICs was without any "political strings attached", we know that there is no such thing as a free lunch and the political implications of this aid will be discussed below.

## **Military Strategy**

China's official military strategy regarding the Indo-Pacific region which was defined in 2015 is that the traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests.<sup>18</sup> China's maritime strategy in this region is based on the premise of developing its maritime power capabilities and on a drive for a "blue water navy." A blue water navy is essentially a maritime force which has the potential to operate globally, across the deep blue open oceans. Simply put, it is a maritime force capable of acting far from home. China is still primarily a green and brown water navy, and it is their drive for establishing a blue-water navy to penetrate the First island chain, namely Japan's Ryukyu chain and Taiwan in the Pacific region which steers their maritime strategy. China's maritime strategy is not limited to the Pacific Ocean. Participation in China's Maritime Silk Road (MSR) initiative has been aimed at island states like Sri Lanka, the Maldives,

Seychelles, and Mauritius and looking south, small islands are central to China's thrust toward the South China Sea wherein Chinese fishing boats have an active presence due to these island's rich stock in fisheries and undiscovered oil and gas reserves.<sup>19 20</sup>

## Political Implications

As mentioned above, China's influence in the Indo-Pacific region due to its increased aid and investment to the PICs has yielded some successes for her. Through continued economic assistance, China has succeeded in getting diplomatic recognition from 10 out of the 14 Pacific Islands.<sup>21</sup> Only four countries remain namely Tuvalu, Palau, Marshall Islands and Nauru that presently recognize Taiwan with Kiribati being the latest nation to withdraw its recognition in September 2019.<sup>22</sup> Chinese successes in the Indo-Pacific are also evident by the fact that ten PICs have signed a Memorandum of Understanding (MOU) with China with respect to the Belt and Road Initiative (BRI) cooperation. Chinese investment in these islands has been politically beneficial for her with a study indicating that a 10 percentage-point increase of recipients' voting similarity with China yields an 86 per cent increase in Chinese development assistance.<sup>23</sup> Though Beijing's loans and projects in the PICs are lavish they have been accused of exercising "debt trap" diplomacy.

Indian geo-strategist and intellectual Brahma Chellaney coined the term "debt trap" diplomacy to describe the actions of the Chinese government.<sup>24</sup> Debt trap diplomacy is essentially a relationship wherein a creditor country extends debt to a borrowing nation to increase its political leverage over the borrowing nation. China, by lavishly loaning and building projects in these small islands makes them debt dependent on her. This debt dependence ensures long-term relationships which ultimately will work in Beijing's long-term strategic interest.<sup>25</sup> These loan disbursement practices have in fact already led one such small island, namely Tonga, to bankruptcy.<sup>26</sup>

## Conclusion

China's increasing influence in the PICs in the recent decades through economic aid, investment, military projects, and diplomatic visits has borne fruitful for her as 10 out of the 14 PICs have aligned their decision with hers on international forums regarding the Taiwan issue and have also signed memorandums with her for cooperation concerning Beijing's ambitious Belt and Road Initiative. China's movements in the Indo-Pacific though have not gone unnoticed by other major powers of the world who have sought to provide a counterbalance by increasing their investment and influence in the PICs. A notable example of such is Australia's



Pacific step-up policy which was first announced at the Pacific Island Forum Leaders' Meeting in September 2016. Through this initiative, Australia committed US\$ 1.44 billion in development assistance to the Pacific in 2020–21. It has also undertaken projects such as the Coral Sea Cable system which provides telecommunications infrastructure to the Solomon Islands and Papua New Guinea, and the Pacific Labour Mobility Scheme to provide jobs for Pacific and Timor-Leste workers.<sup>27</sup> New Zealand and the United Kingdom have followed suit with the “Pacific reset” and the “Pacific Uplift” policies respectively. Similarly, USA and Japan have also begun lifting their Pacific effort in response to China’s increasing influence.<sup>28</sup>

The Pacific Island Countries are very small and most of them are independent. In contemporary emerging geopolitics, these islands face the threat of being pawns in the game of international interests and territorial powers.<sup>29</sup> China considers the PICs instrumental for its future ambitions and security interests and the PICs in turn appear to be highly vulnerable to Chinese influence due to an ever-increasing debt trap.<sup>30</sup> Moreover, these small islands face the greatest risk and are most affected by climate change and global warming due to which they might be more susceptible to the influence of major powers to seek their aid. The dialectic between the major powers and the small islands in the Indo-Pacific is still in its growing stage and there is still much left to observe. But one thing is certain, in the coming decades, the PICs will come to play a centre-stage role in the emerging geopolitical and security trends in the Indo-Pacific.

---

# Role of Island Countries

## Reshaping Security in the Indo-Pacific

*Aditi Hanninamane*

---

### Introduction

Pacific Island Countries and Territories (PICTs) play a significant role in shaping security in the Indo-Pacific region. While the security priority of larger powers is more traditional in nature, the security of these small nations is different and focuses more on non-traditional security. For a long time, the security of these islands was subjected to the neo-colonialists perceptions of these regions being small, remote, or in ‘need of help’ or dependent on larger powers for protection, but these ideas are being challenged by the people of the Indo-Pacific, who highlight the immenseness, importance, influence, and the strength found in these regions<sup>1</sup>. Along with this, the U.S National Security Council coordinator for the Indo-Pacific region, Kurt Campbell, recognized that the Indo-Pacific is a platform where China would give, a “strategic surprise”, and Washington must be concerned about the same as China’s rise in the region would proportionately reduce the influence of the U.S in the region<sup>2</sup>. China’s increase in influence isn’t just Washington’s problem but would also threaten the security of the regional partners of the United States which include, Australia, France, Japan, and India. In this fight for power, there has been little or no knowledge about the perspective of these small states and islands. Hence there is a need to rethink security through the perspective of these small islands which takes into consideration the context, and interdependence and combines human and environmental security.

### Priorities beyond just Geostrategic Power

The islands of the Indian and the Pacific oceans are separated by vast oceans, but all these nations share a common theme when it comes to security. While the larger powers like the United States, Australia, and India define security as the protection against military attack, terrorism, crime, or economic security such as China’s unsustainable financing of infrastructure projects, such as the port project in Hambantota, Sri Lanka, island nations define security and prioritize different issues that aren’t necessarily similar to the definition of the greater powers<sup>3</sup>. The Carnegie Endowment for International Peace and the Sasakawa

---

<sup>1</sup> Amin, SN, C Girard and D Watson 2020, ‘Security, resilience and resistance in the PICs: Aligning priorities and relocating responsibility’, in SN Amin, D Watson and C Girard (eds), *Mapping Security in the Pacific: A focus on context, gender and organisational culture*, Routledge, 231– 243.

<sup>2</sup> Kirsty Needham and David Brunnstrom, “Pacific May Be Most Likely to See 'Strategic Surprise' -U.S. Policymaker Campbell,” Reuters, January 11, 2022, <https://www.reuters.com/world/asia-Pacific/us-most-likely-see-strategic-surprise-Pacific-official-2022-01-10>.

<sup>3</sup> Joshua T White, “China’s Indian Ocean Ambitions,” Brookings Institutions, June 2020, 6, [https://www.brookings.edu/wp-content/uploads/2020/06/FP\\_20200615\\_chinas\\_indian\\_ocean\\_ambitions\\_white-1.pdf](https://www.brookings.edu/wp-content/uploads/2020/06/FP_20200615_chinas_indian_ocean_ambitions_white-1.pdf).

Peace Foundation, Tokyo held in 2021 expressed that the most important and constantly occurring theme from the Islands Dialogue was that the nations have an expanded definition of security<sup>4</sup>.

In the study of security, there has been a tendency to separate domestic and external security threats. Larger economies engage with PICTs to align their concerns about global security with their external priorities<sup>5</sup>. Larger nations such as Australia, the US, Japan, China, and New Zealand have played a significant role in shaping the security agendas of various PICTs<sup>6</sup>. Hence, it can be concluded that domestic security challenges are being overlapped and are interlinked in complex different ways with external security issues. An example of such links is the issue of water security, which is usually considered the most important threat to security due to its limited access and availability. Waste management in these water bodies is challenging and is a security threat to these small nations<sup>7</sup>. Hence the most important security threat for the island territories is climate change, illegal, excessive fishing, plastic or waste management, ocean pollution, oil spills, and the blue economy<sup>8</sup>. These issues however are barely on the priority list of larger powers. Therefore, this gap between the countries decreases the success of security in the Indo-Pacific region.

Island nations continue to find themselves in constant conflict with their geopolitical allies due to their varying security needs. For example, during the Pacific Island Forum meeting, in 2019, PICTs expressed the need for urgent measures against climate change which was their security concern. Although Australia did promise AUD 500 million in order to overcome the issue of climate change they did, however, fail to re-assess their own usage of coal, seabed mining, and other industries that contributed to climate change<sup>9</sup>. If this division between the small states who are receiving security assistance and the bigger powers who give solutions, continues then any policy made by any country (be it Washington, Tokyo, or even Malé) will fail in resolving regional issues.

The tendency to separate environmental security from human security is the key issue. Elliott L. in his article, ‘Human Security/environmental security’ notes that human and

---

<sup>4</sup> Baruah, D.M. (no date) *What island nations have to say on Indo-Pacific geopolitics*, *Carnegie Endowment for International Peace*. Available at: <https://carnegieendowment.org/2022/03/23/what-island-nations-have-to-say-on-indo-Pacific-geopolitics-pub-86700> (Accessed: January 20, 2023).

<sup>5</sup> Amin, SN, C Girard and D Watson 2020, ‘Security, resilience and resistance in the PICs: Aligning priorities and relocating responsibility’, in SN Amin, D Watson and C Girard (eds), *Mapping Security in the Pacific: A focus on context, gender and organisational culture*, Routledge, 231– 243.

<sup>6</sup> Fry, G and S Tarte 2015, *The New Pacific Diplomacy*, ANU Press, Canberra, <http://doi.org/10.22459/NPD.12.2015>

<sup>7</sup> Manton, MJ 2014, ‘Introduction’, in MJ Manton and LA Stevenson (eds), *Climate in Asia and the Pacific: Security, Society and Sustainability*, Springer, 1–16.

<sup>8</sup> Baruah, D.M. (no date) *What Island nations have to say on Indo-Pacific geopolitics*, *Carnegie Endowment for International Peace*. Available at: <https://carnegieendowment.org/2022/03/23/what-island-nations-have-to-say-on-indo-Pacific-geopolitics-pub-86700> (Accessed: January 20, 2023).

<sup>9</sup> Clarke, M 2019, ‘Tuvalu’s PM says Australia’s climate funding for Pacific “not an excuse” to avoid emissions cuts’, ABC News, <https://www.abc.net.au/news/2019-08-13/australiasclimate-funding-Pacific-islands-forum-tuvalu/11408930>, accessed 13 August 2019

environmental security tend to be “divorced” from each other<sup>10</sup>. This is extremely problematic for PICTs as these types of security agendas neglect the impact on livelihoods and socio-economic hurdles of vulnerable communities. The main argument is that climate change is more than just traditional environmental concerns about trees, forests, pollution, or population. It is a greater issue that could potentially lead to major social disruptions and war. However, the geopolitical reality shows that PICTs are forced to adopt an agenda set by an external (greater) power that doesn’t necessarily meet their needs, priorities, and concerns, or continue to ignore the inter-relation between environmental and human security and continue to stay with powers beyond their control<sup>11</sup>.

For Washington, military and strategic conflict in the region is more of a priority than maintaining stability. Similarly, strategic competition in the Indian Ocean has been the priority for India and China. Therefore, in this power struggle, the islands have been neglected. Ahmed Khaleel, minister of the state of foreign affairs for Maldives expressed that, “for a lot of other countries, the threats of climate change or IUU fishing are on the margins. But for a country like Maldives, it is a matter of life or death”<sup>12</sup>. The outcome of such disparities can be seen in regional projects funded by major powers. Such projects ignore the nuances of the importance of climate change and the need for climate-resilient or environmentally friendly structures. Yes, Airports and ports are the most critical structures for these nations, examples such as the 2021 oil spill in Mauritius or illegal fishing in Palau, Federated States of Micronesia show the disaster brought by external threats to the ecosystems that island nations thrive upon<sup>13</sup>. A researcher at Ocean Policy Institute at Sasakawa Peace Foundation, Atsushi Watanabe, claimed, “it is important to consider that tourism in island nations, is characterized by its dependence on the marine and coastal environment. Fishing and tourism are an important source of income, and sustainably securing these sources of income is most important for economic and food security”<sup>14</sup>. Therefore, PICTs are looking for development projects that would safeguard the blue economy.

---

<sup>10</sup> Elliott, L 2015, ‘Human security/environmental security’, *Contemporary Politics* 21(1), 11–24.

<sup>11</sup> Amin, SN, C Girard and D Watson 2020, ‘Security, resilience and resistance in the PICs: Aligning priorities and relocating responsibility’, in SN Amin, D Watson and C Girard (eds), *Mapping Security in the Pacific: A focus on context, gender and organisational culture*, Routledge, 231– 243.

<sup>12</sup> Ahmed Khaleel, “Keynote Address—Ahmed Khaleel, Maldives Minister of State for Foreign Affairs,” posted on Youtube by Carnegie Endowment for International Peace, <https://www.youtube.com/watch?v=B98I3pP11Xw>.

<sup>13</sup> Blaha, F. (no date) *Illegal fishing in the central and South Pacific*.

<sup>14</sup> “Ocean Nations: An Indo-Pacific Islands Dialogue,” Carnegie Endowment for International Peace.

## China: A Potential Partner

Although the island nations acknowledge the importance of their partnership with traditional players such as Australia, France, Japan, the US, and India, they are sympathetic towards Beijing. They not only recognize China's interest in the region but acknowledge that her attention has facilitated renewed focus on the region from traditional players as well. PICTs don't want to be proxies anymore in the struggle for power but rather seek to be liberated from relying on one partner for security. Ahmed Khaleel also claimed that the "Indian Ocean will become a key threat from strategic competition between major rival power. But our hope is that the Indian Ocean will not witness a security dilemma in which activities by larger outside powers to enhance their own security interests create insecurity for others in the region"<sup>15</sup>.

Another important point is that these island nations didn't have any territorial controversies with China. The U.S. and France are being criticized for conducting nuclear tests in the Pacific<sup>16</sup> but China hasn't done any of the same, nor did they commit any war crimes, but Japan is being accused of it<sup>17</sup>. Likewise, in the Indian Ocean, India and Australia are perceived as dominant powers therefore PICTs prefer China as their new economic partner which can not only help them with their economy and bring new opportunities but bring a balance in the region. Although the West perceives China to be unsustainable with their debt financing projects, the island nations don't think the same. Although this will put the islands in a tough place in the middle of rivalry, they still prefer and seek for new, different partners to tackle different issues and keep the economic and military affairs separate. Islands are known for switching sides and playing a great power against one another. Teburoro Tito describes this strategy as the "economics of survival", to island nations it isn't about the military but is more of a need for new investments and economic aid<sup>18</sup>.

## The Importance of the Multilateral Forum and the Role of Traditional Partners

Due to the small military capabilities and economy of small nations, the Indo-Pacific nations mentioned the importance of multilateral platforms such as the UN to resolve conflicts and guide their government. Yes, the bigger nations do create laws and rules but it is these small

---

<sup>15</sup> Ahmed Khaleel, "Keynote Address—Ahmed Khaleel, Maldives Minister of State for Foreign Affairs."

<sup>16</sup> "Pacific Nuclear Test Archive," International Disarmament Institute News, accessed March 9, 2022, <https://disarmament.blogs.pace.edu/nuclear-test-archive/#:~:text=From%201946%20to%201996%2C%20the,Atoll%20and%20Amchitka%20Island%2C%20Alaska>.

<sup>17</sup> Yuki Tanaka, "Japanese Atrocities on Nauru during the Pacific War: The Murder of Australians, the Massacre of Lepers and the Ethnocide of Nauruans," *The Asia-Pacific Journal* 8, issue 45, no. 2: November 8, 2010, <https://apjif.org/-Yuki-Tanaka/3441/article.html>.

<sup>18</sup> Teburoro Tito in "Island Security and the Blue Economy," posted on Youtube by Carnegie Endowment for International Peace.

ones that follow and maintain order more diligently than the greater powers. Despite their size, each of these islands holds a vote in the UN and they use it to their advantage to voice out their concerns and challenges. Therefore, the UN is a critical platform for these island nations which gives them an opportunity to share their perspective. Satyendra Prasad, a Permanent Representative and Ambassador to the UN for Fiji claim, “We look to this multilateralism for global governance, and we look to the multilateral system to provide us with the rules through which we negotiate and mediate our interests and protect our interests in global system”<sup>19</sup>. Similarly, Colomabage notes about the Indian Ocean that, “there is a huge asymmetry of capacities and capabilities and capabilities among the countries... to overcome the asymmetry in this international domain or regional domain is by having rules because when there are rules, everyone abides by them and no one tries to dictate terms on the other”<sup>20</sup>.

While the PICTs acknowledge the importance and value of a platform like the UN and the solutions it provides, they are critical of the challenges the organization faces when generating solutions. An example of this is the Island Dialogue forum held during the UN high-level debate where island nations were intent on getting larger powers on the same page regarding commitments to fight climate change but walked out frustrated during the (2021) UN Climate Change Conference, for not gaining enough commitment by the larger countries on maintaining global temperature<sup>21</sup>. In this battle for security, the nations of the Indo-Pacific need to consider climate change as a key security issue and must coordinate and cooperate with each other, only this way will the greater powers gain more support and partnership from the islands.

Traditional partners such as India, Japan, Australia, New Zealand, and the US do acknowledge climate change as a global security threat which not only is a threat to PICTs but is also a potential threat to their nations. However, the priority of these players is traditional geostrategic competition and not so much non-traditional security issues. Conflicts like the Taiwan crisis, Russia-Ukraine, and the India-China border conflict are more of a priority than climate change. Despite this, the countries have their unique interest and geostrategic precedence in the Indo-Pacific. Australia’s Pacific Step-up policy is an example, that focuses on South Pacific islands and their neighbours<sup>22</sup>.

Another challenge that these partners face is red tape and bureaucracy, which limits the finances that are important to fund projects in the Indo-Pacific. Hence these greater powers

---

<sup>19</sup> Satyendra Prasad, “Keynote Address—Satyendra Prasad, Permanent Representative for Fiji and Ambassador to the UN,” posted on Youtube by Carnegie Endowment for International Peace, <https://www.youtube.com/watch?v=kJqUIYsvx0E>.

<sup>20</sup> Jayanath Colombage, “Special Address—Jayanath Colombage, Foreign Secretary of Sri Lanka.”

<sup>21</sup> Lagipoiva Cherelle Jackson, “COP26: Pacific Delegates Condemn ‘Monumental Failure’ That Leaves Islands in Peril,” *Guardian*, November 15, 2021, <https://www.theguardian.com/world/2021/nov/15/cop26-Pacific-delegates-condemn-monumental-failure-that-leaves-islands-in-peril>.

<sup>22</sup> Baruah, D.M. (no date) *What Island nations have to say on Indo-Pacific geopolitics*, Carnegie Endowment for International Peace. Available at: <https://carnegieendowment.org/2022/03/23/what-island-nations-have-to-say-on-indo-Pacific-geopolitics-pub-86700> (Accessed: January 20, 2023).

often struggle in implementing large projects in the region. Although many new projects have been thought of and announced, there remains a strategic inertia to implement the plans. Therefore, to gain more support from the PICTs and make changes in the Indo-Pacific, the traditional player must stop viewing security through one singular lens (China and its competition) but rather perceive it through the perception of the island nations themselves<sup>23</sup>.

## Reconstructing Security

Security in the Indo-Pacific must be reconstructed. Due to the continuous vulnerability and instability, small islands are building resilience as a security strategy. Resilience in this context is the capacity to adapt to risks and build shared responsibilities to achieve human security. This also means that there is a need to incorporate local, regional, and international stakeholders to minimize risks. An example of this can be seen in the discussion regarding food security, while there are initiatives around raising awareness about traditional foods at the local and regional level, it is important to ask and understand the cause of this food insecurity that came about during colonization and continued due to globalization, only then can traditional food security systems can be viable and sustainable<sup>24</sup>.

Similarly, to combat climate change, resilience and empowerment found in tradition or community work will only be sustainable if the entire power relations are restructured. Modernization, globalization, colonialism, and implementation of new international development projects create a system of hierarchy and order behavior where all the other behaviors (culture, religion, gender) take secondary positions. This approach creates insecurity and violence as new identities are given to a certain type of people. Therefore, only a discourse that focuses on resilience will depoliticize the issue of climate change and makes it more radical<sup>25</sup>. Therefore, for security and resilience to be sustainable, local and global priorities must be aligned and one must rethink the political economy of relationships, identity, culture, and tradition as a source of resilience in security.

## Conclusion

In conclusion to the arguments placed above, it can be said that the perceptions and priorities between great powers and island nations are much different. While traditional security threats are still a priority for the larger power, climate change is the most dangerous security threat as it could potentially lead to the loss of sovereignty and nationhood. As Tito said, “Those who want to help us will take the time to listen to what’s happening from our experience”

---

<sup>23</sup> IBID

<sup>24</sup> Amin, SN, C Girard and D Watson 2020, ‘Security, resilience and resistance in the PICs: Aligning priorities and relocating responsibility’, in SN Amin, D Watson and C Girard (eds), *Mapping Security in the Pacific: A focus on context, gender and organisational culture*, Routledge, 231–243.

<sup>25</sup> Oels, A 2015, ‘Resisting the climate security discourse: Restoring “the political” in climate change politics’, in S O’Lear and S Dalby (eds), *Reframing Climate Change*: 188–222

This truly is applying to these small island nations<sup>26</sup>. There is a need to study security in the Indo-Pacific, especially through the perspective of PICTs rather than a lens of geostrategic competition. There is also a need for sustainable integrated infrastructures which is not only budget-friendly but also break from the paradigm of “build- neglect- rebuild” (which makes it unsustainable) and are “climate-proof”<sup>27</sup>. There is an urgent need to align local, national, and global security priorities and include all three in any policymaking. Only understanding the perspective of the island nations will lead to effective and connected cooperation in the Indo-Pacific region.

---

<sup>26</sup> Teburoro Tito in “Island Security and the Blue Economy,” posted on Youtube by Carnegie Endowment for International Peace

<sup>27</sup> Estigarribia, L., Rajah, R. and Neves, R. (2017) *Sustainable Infrastructure Development in the Pacific Islands*, PFM. Available at: <https://blog-pfm.imf.org/en/pfmblog/2017/06/sustainable-infrastructure-management-in-the-Pacific-islands> (Accessed: January 20, 2023).



---

# China and the Arctic

## Security Implications for the Indo-Pacific

*Arshdeep Singh Dutt*

---

### Introduction

China is well known today for its ambition of global dominance – the great rejuvenation on the centenary of the Communist Party of China’s (CCP) rule, as enumerated by President Xi Jinping in many of his speeches. To achieve this ambition, the Chinese government has introduced a variety of measures and reforms. On the military front, it has aimed for the modernization of the whole People’s Liberation Army (PLA) by 2035, and within the PLA, the People’s Liberation Army Navy (PLAN) has received a major boost towards developing expeditionary and blue water capabilities. With the growing tensions in the Indo-Pacific, there are many salient reasons behind investing in the PLAN, and one such reason is the emergence of the polar worlds – the Arctic and the Antarctic regions. While both regions have very salient features, the Arctic has captured Chinese attention more than the Antarctic. Global warming is underway, ice caps are shrinking, waterways are opening, and it is opening up possibilities for new geopolitical dynamics - which China aims to dominate. Against this backdrop, this paper aims to explore the emergence of the Arctic and the geopolitical movement in the Indo-Pacific to highlight the security implications arising out of the same.

### Defining the Arctic and China’s Position

The International consensus on the Arctic, as per section 112 of the Arctic Research and Policy Act (ARAP) of 1984 (amended 1990)<sup>1</sup>, is that

*“The term "Arctic" means all United States and foreign territory north of the Arctic Circle and all United States territory north and west of the boundary formed by the Porcupine, Yukon, and Kuskokwim Rivers; all contiguous seas, including the Arctic Ocean and the Beaufort, Bering, and Chukchi Seas; and the Aleutian chain.”*

The Chinese government, in their white paper on the Arctic policy released in 2018<sup>2</sup> defined the Arctic in a more digestible way as an area that *“includes the northernmost landmasses of Europe, Asia, and North America adjacent to the Arctic Ocean and the relevant islands, and a combination of sea areas within national jurisdiction, high seas,*

---

<sup>1</sup> Arctic Research and Policy Act of 1984 (amended 1990), National Science Foundation. [https://www.nsf.gov/geo/opp/arctic/iarpc/arc\\_res\\_pol\\_act.jsp](https://www.nsf.gov/geo/opp/arctic/iarpc/arc_res_pol_act.jsp)

<sup>2</sup> People’s Republic of China. China’s Arctic Policy. January 26, 2018. China White Paper. [http://english.www.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm\\_n](http://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm_n)

*and the Area in the Arctic Ocean”*

There are only eight nations that have a sovereign right on territory over the Arctic, namely Canada, Denmark, Iceland, Finland, Norway, Russia, Sweden, and the US. These nations are also called Arctic nations. China considers itself a “near Arctic state”. It has been an active participant in Arctic affairs for a long time. In 1925, China started its participation in Arctic affairs by becoming a member of the Spitsbergen Treaty, later in 1996, it became a member of the International Arctic Science Committee which encouraged China’s scientific and research-related participation in the Arctic. In 2005, China became the first nation to host the high-level conference - Arctic Science Summit Week, and in 2013, it became an observer nation to the Arctic Council.

On the military front, especially concerning submarines, Mao Zedong had set the goal of getting Chinese submarines into the Arctic as early as 1959. However, in 1959, the Soviet Union declined Mao’s request for cooperation in the development of nuclear submarines. China allotted resources towards the development of a nuclear submarine in the 1960s and launched its first nuclear submarine in 1974. In 1981, the then defense minister Geng Biao gave a budget of 10 billion RMB to develop six nuclear-powered submarines, i.e., the “Xia-class” of submarines. A year after this, Geng Biao was heavily criticized because the Submarines were dysfunctional, to begin with. The main aim of the submarines was to combat US maritime power, however, as soon as the submarines entered the Arctic Ocean, they were detected and denied entry. Xi Jinping, the personal secretary, of Geng Biao from 1979-1982 was aware of the strategic importance that the Arctic held. While investment in nuclear submarines was considered a costly mistake, it was soon offset by China’s rapid economic and technological growth over the last few decades, with which it expanded its submarine capabilities.

In 2013, China transited the Indian Ocean with its nuclear attack-capable submarine for an anti-piracy mission in the Gulf of Aden. The nuclear-armed attack submarines could launch missiles for targets 4600miles away<sup>3</sup>, China’s land-based nuclear capabilities targeting the US have an Arctic trajectory (Huanqiu Junshi Wang, July 21, 2015), and in 2015, Global Times predicted that the next breakthrough for Chinese submarine forces would be accessing the Arctic Ocean.<sup>4</sup>

---

<sup>3</sup> Page, Jeremy. China’s Submarines Add Nuclear-Strike Capability, Altering Strategic Balance. October 24, 2014. Deep Threat, Wall Street Journal.

<https://online.wsj.com/articles/chinas-submarine-fleet-adds-nuclear-strike-capability-altering-strategic-balance-undersea-1414164738>

<sup>4</sup> Brady, Anne-Marie. Facing Up to China’s Military Interests in the Arctic. December 10, 2019. China Brief, Vol. 19, Jamestown Foundation

<https://jamestown.org/program/facing-up-to-chinas-military-interests-in-the-arctic/>

## Strategic Importance of the Arctic

When it comes to logistics of trade in the Arctic region, there are three vital ways the Arctic has advantages over other regions. One, it is a shorter route. The route from Shanghai port to the port of Rotterdam in the Netherlands is 22% shorter if taken through the northern route via northern Russia, rather than the traditional route through Malacca Strait, the red sea, and Suez Canal. Two, unlike Suez Canal or the Panama Canal, the draft and hull size of the ship do not matter, large freighters can pass through the Arctic route, and incidents involving obstructions of routes are out of the question with this route, therefore ensuring a route which can manage strong traffic of ships. Lastly, incidental costs are reduced. This is because the number of docking points is reduced, and the ships would no more pass-through Suez and Panama Canal and would not have to pay the subsequent cost for doing so. Therefore, costs will decrease significantly. China estimates that due to such advantages, a major fraction of the world trade will gravitate towards the Arctic, making it one of the most used and crucial sea routes.

The Chinese government recognizes the Arctic as one of the “strategic commanding heights” due to its geostrategic value. As the air distance near the poles is the shortest near the poles and most of the major powers are located around the Arctic, it has become an aviation key point. As long as intercontinental ballistic missiles stationed in the Arctic have a range of 8000 kilometers, the missile can reach places of significant strategic importance to major powers such as the US, European nations, China, and Russia. Having a shorter flight distance would result in a shorter response time for the target nation which would benefit the missile penetrating capabilities. Simultaneously, the Arctic’s complex ocean in addition to its electromagnetic environment makes it difficult to use existing anti-submarine technology. The Arctic is also an ideal place to conceal strategic nuclear submarines, as was showcased by the US and USSR during the cold war by using the Arctic as a platform for a second nuclear strike launch site.

The Arctic is a region of crucial research value. It is widely recognized that the Arctic, as one of the poles, is an important source of research in the fields of meteorology hydrology, biology, ecology, geophysics, marine chemistry, and many more. Furthermore, the Arctic is one of the regions, due to its extreme climate and complicated electromagnetic field, that can be used for testing various equipment and weapons, taking the case of America and the Soviet Union during the cold war<sup>5</sup>.

The Arctic presents a wealth of resources to those who can access it, according to Russia<sup>6</sup>,

---

<sup>5</sup> Teuscher, Carson. The Cold, Cold War: Rear Admiral Richard Byrd, Antarctic Expeditions, and the Evolution of America’s Strategic Interest in the Polar Regions. November 2, 2021. The Arctic Institute. <https://www.thearcticinstitute.org/cold-cold-war-rear-admiral-richard-byrd-antarctic-expeditions-evolution-americas-strategic-interest-polar-regions/> the arctic institute

<sup>6</sup> The Arctic, Natural Resources. <https://arctic.ru/resources/>

the Russian Arctic is the source of 80% of its oil, and almost all of its natural gas. Nations along the Arctic region like Canada, the US (Alaska), and Norway are other leading producers. Moreover, recent assessments suggest that a considerable amount of petroleum reserves are undiscovered. Furthermore, the US Arctic oil reserves are estimated at 15 million barrels, and gas reserves, are over 2 trillion cubic meters. The Arctic region is also very flush with minerals. Siberia is rich in ores of almost all economically valuable metals, such as nickel, gold, molybdenum, silver, and zinc. There are also some of the biggest known deposits of coal, gypsum, and diamonds. Regarding biological resources, an estimated one-fifth of freshwater and several of the world's largest rivers are found there. This region is home to hundreds of endemic species of plants and animals, as well as thriving marine life.

## Security Implications for the Indo-Pacific

There are three main implications that arise out of China gaining access to the Arctic. The first is that it will reduce the strategic relevance of the Malacca Strait. In 2020, China imported nearly 80% of its oil through the Malacca Strait<sup>7</sup> which it is attempting to offset by exploring alternatives such as its oil pipeline project from Gwadar Port to Kashgar in China's Xinjiang province.<sup>8</sup> Still, the Malacca Strait remains an important route for the Chinese. Being free from the Malacca Dilemma allows China more room for transgressions with India and its other fellow nations in the South China Sea to achieve its goals. In essence, it amplifies China's stance as a regional power in Asia.

The Second security implication pertains to deterrence against the West. Placing nuclear warheads in the Arctic poses a grave threat to the strategic hinterland of the US, and Europe which gives it further room for picking battles against the West. The US has been very wary of Chinese influence in the Arctic and has shown concerns regarding the possibility of Chinese military presence in this region, particularly nuclear submarines.<sup>9</sup> The Chinese estimate that they need a warhead with a range of 8,000km to do the same, currently, they have their Jin-class submarines equipped with the JL-3 missiles, which are alleged to have more than 10,000km range<sup>10</sup>.

The third security implication comes from the fact that China has invested heavily in the

---

<sup>7</sup> Sharma, Aakriti. China's Malacca Dream Shattered; Malaysia Expels Three Chinese Firms From USD \$10 Billion Infra Project. December 3, 2020. The Eurasian Times.

<https://eurasianimes.com/big-blow-to-xi-jingpings-malacca-dream-as-malaysia-kicks-out-three-chinese-firms-from-10bn-infra-project/>

<sup>8</sup> Jaybhay, Rahul. China's pipeline dream in Pakistan. June 30, 2020. The Interpreter, the Lowy Institute <https://www.lowyinstitute.org/the-interpreter/china-s-pipeline-dream-pakistan>

<sup>9</sup> Stewart, Phil & Ali, Idrees. Pentagon warn on risk of Chinese submarines in Arctic. May 3, 2019. Reuters <https://www.reuters.com/article/us-usa-china-military-arctic-idUSKCN1S829H>

<sup>10</sup> Capaccio, Tony. China has put longer-range ICBMs on its nuclear subs, U.S. says. November 19, 2022. The Japan times. <https://www.japantimes.co.jp/news/2022/11/19/asia-Pacific/china-longer-range-icbms-submarines-us/>

Arctic nations<sup>11</sup>, particularly those in Europe and that it aims to monopolize Arctic trade to create economic dependence in favor of China, like the Arctic Corridor<sup>12</sup> – which could be used at a later date as either a deterrent or weapon against Europe to obstruct it from interfering or to mitigate certain backlash with Chinese matters in the Indo-Pacific. The weaponization of Europe’s energy dependence on Russia for the Ukraine conflict surmises this point aptly.

Cheaper transit costs, access to resources, and an area to conduct research, for both military and non-military purposes add a certain edge to the Chinese blade. It is imperative, especially for the West to keep China’s access to the Arctic restrained while exploring the Arctic itself to mitigate the existing dependence on China. For instance, recently Europe’s largest deposit of rare earth metals was discovered in Sweden. This could help with their overdependence on China, as in 2021, 98% of the rare earths used were imported from China.<sup>13</sup>

### **Conclusion: Can China Leverage the Arctic Region to have a Significant Impact on the Indo-Pacific anytime soon?**

If we trace China’s journey regarding the Arctic, we can see that China started involving itself with Arctic matters in 1925, and till today, it only possesses an observer status at the Arctic Council. While China’s diplomatic position with the Arctic may be atypical, it competes with 12 other nations with the same status for access to this region. The main reason China’s progress has been slow is simply because it is not an Arctic nation. The Arctic nations recognize the strategic and economic value of the Arctic and are reluctant to split this value with non-Arctic nations. Even Russia, China’s greatest emerging ally, has been careful of the Chinese, for instance, Russia has been very cautious about not letting China establish a military base.<sup>14</sup> Therefore, obtaining equal privileges as an Arctic nation for China is, and will be, quite difficult. China would have to wait for the polar ice cap to melt significantly, which it suspects would happen by 2050<sup>15</sup>, and soon thereafter, it predicts that the arctic route will attract lots of international traffic, given the economic benefits<sup>16</sup>, opening up to other nations, with the observer nations having a first-mover’s

---

<sup>11</sup> Lipin, Michael. China Begins to Revive Arctic Scientific Grounds Projects After Setbacks. December 5, 2022. China New, VOA.

<https://www.voanews.com/a/china-begins-to-revive-arctic-scientific-ground-projects-after-setbacks-/6860756.html>

Lanteigne, Marc & Shi, Mingming. China Steps up Its Mining Interests in Greenland. February 12, 2019.

<https://thediplomat.com/2019/02/china-steps-up-its-mining-interests-in-greenland/>

<sup>12</sup> Arctic Corridor, Growth through Arctic Resources. <https://arcticcorridor.fi/>

<sup>13</sup> Chatterjee, Phelan. Huge rare earth metals discovery in Arctic Sweden. January 12, 2023. BBC News. <https://www.bbc.com/news/world-europe-64253708.amp>

<sup>14</sup> Sharma, Bipandee and Sinha, Uttam Kumar. Un derstanding China-Russia Cooperation in the Arctic. January 10, 2023. Manohar Parrikar Institute for Defence Studies and Analysis. <https://idsa.in/issuebrief/understanding-china-russia-cooperation-bsharma-uksinha-100123>

<sup>15</sup> Zhihao, Zhang. Climate change eroding Arctic Sea ice, report says. January 17, 2023. China Daily. <https://global.chinadaily.com.cn/a/202301/17/WS63c67f3da31057c47ebaa2b1.html>

<sup>16</sup> In Their Own Words: 2020 Science of Military Strategy. January 26, 2020 China Aerospace Studies Institute, Air University. Pg. 162-163.

advantage, compared to the rest of the non-arctic nations. Given the active initiative in affairs of the Arctic, it does not seem far-fetched that China aims to have a complete polar-maritime silk route around Asia, with a part of its “world-class military” present in the Arctic by 2049. However, as of now, it is far from it. Thus, the Arctic would not be having any significant implications for the Indo-Pacific anytime soon, for at least a decade or so.

The 21st-century global phenomena to ‘look east’ has changed the focus of the world. This strategic spotlight has increasingly been directed towards the Indo-Pacific. With eastern nations rising in both economic and military power, the competition to influence and consolidate the new region has intensified. This competition is not limited to traditional superpowers like the USA and Russia but also regional contenders like China and India. The evolving nomenclature from Asia-Pacific to Indo-Pacific signifies the growing importance of the region. The Indian Ocean and the Pacific Ocean as a continuous space have been called the Indo Pacific. It is an interconnected and interdependent region with great potential due to rising trade and globalisation. Harboursing over 64% of the world's population, the Indo-Pacific conducts 50% of global trade via its maritime domain and contributes to 62% of global GDP. Currently, ‘Indo Pacific Strategy’ is a part of multiple nations' foreign policies including the USA, France, etc.

---

<https://www.airuniversity.af.edu/CASI/Display/Article/2913216/in-their-own-words-2020-science-of-military-strategy/>

---

# Growing Tensions Between China and Taiwan

## *Creating Challenges in Indo-Pacific Security*

*Gayatri Kasibhatta*

---

### Introduction

In recent years, tensions between China and Taiwan<sup>17</sup> have been escalating in the Indo-Pacific region, as Beijing asserts its territorial claim over the self-governed island and flexes its military might in the surrounding waters. The issue of Taiwan's status has been a longstanding one, with China regarding the island as a breakaway province while Taiwan maintains its autonomy as a separate sovereign state. However, the geopolitical landscape of the Indo-Pacific region has become increasingly complex, as multiple nations stake their claims and interests in the region. As economic and military power shifts in the region, the stakes for all nations involved, particularly those in the Indo-Pacific region, have become higher than ever. This article will examine the security challenges posed by the rising tensions between China and Taiwan, particularly considering recent statements from China's Taiwan Affairs Office reaffirming their commitment to "safeguarding sovereignty and territorial integrity" and "smashing plots for Taiwan independence," as well as the increasing military presence and exercises in the region.<sup>18</sup>

On January 11th, China's Taiwan Affairs Office stated that they are dedicated in the new year to maintaining "sovereignty and territorial integrity" and countering attempts at Taiwan's independence.<sup>19</sup> China's state-run Global Times newspaper also warned that any efforts toward Taiwan's secession are bound to fail and will be met with punishment. The visit of US former Speaker Nancy Pelosi and politicians from the European Union to Taiwan has angered Beijing, leading to an increase in military exercises by Chinese forces near the island, which Taiwan views as a potential invasion.<sup>20</sup> In December, China sent a record number of 71 planes and seven ships toward Taiwan, the largest such exercise to date.<sup>21</sup> Taiwan's military is also conducting drills to reassure the public of its ability to counter any potential threats from China. With the Russia-Ukraine war continuing for over a year, we must examine the security challenges posed by an imminent military aggression by China to take control of Taiwan.

---

<sup>17</sup> Taiwan is officially recognized as the Republic of China (ROC). In this paper, ROC and Taiwan are used interchangeably.

<sup>18</sup> "Taiwan" (*AP NEWS*) <<https://apnews.com/hub/taiwan>> accessed January 25, 2023

<sup>19</sup> Ap, "China Renews Threat against Taiwan as Island Holds Drills" (*The Hindu* January 11, 2023) <<https://www.thehindu.com/news/international/china-renews-threat-against-taiwan-as-island-holds-drills/article66364097.ece>> accessed January 25, 2023

<sup>20</sup> Ibid

<sup>21</sup> Ibid

This article is structured to provide a comprehensive analysis of the issues at hand by delving into the historical context of the relationship between China and Taiwan, examining the foreign policy of China, specifically the "wolf warrior" diplomacy and the associated threat to Taiwan, analyzing the defense mechanisms employed by Taiwan, and finally, exploring the potential ramifications of a potential war between the two nations on the Indo-Pacific region. The paper aims to furnish a nuanced understanding of the current tensions between China and Taiwan and the associated implications for the region.

## China-Taiwan Relations

China surpassed Japan to be the second-largest economy in the world. It has leveraged its position as an important trading partner for many countries (especially Asian countries) to use coercive economic policies such as import restrictions, export quotas, tourism bans, and safety inspections against countries such as Japan, the Philippines, South Korea, Taiwan, and Norway.<sup>22</sup> Taiwan is no exception. Businesses that rely on bilateral relations with China sponsor the One China policy (Kastner 2006).<sup>23</sup> China effectively uses a range of economic incentives to shape the policy of Taiwan and controls its options. Taiwan in return has diversified its trade with investment in Southeast Asian and South Asian countries.<sup>24</sup> Taiwan's exports to China decreased by 8.8% and exports to the United States increased by 17.4% in 2019.<sup>25</sup> Taiwanese businesses in China would lobby for a moderate or pro-China stance. Private firms, interest groups, and pro-China coalitions have created vested interests in China. As China becomes more powerful vis-à-vis Taiwan, it has become increasingly intolerant of any possible moves toward independence from Taiwan while continuing to develop economic ties with the Taiwanese business community (Bush, 2017).<sup>26</sup>

## Threat of China

At the forefront of China's assertiveness in the region is its "wolf warrior diplomacy," a term used to describe its increasingly aggressive and nationalistic foreign policy.<sup>27</sup> This approach is most visible in the Indo-Pacific, where China has been increasing its military presence and territorial claims in the South China Sea and making more assertive moves toward Taiwan.

One of the key strategies that China has been using in this regard is the concept of "grey

---

<sup>22</sup> 'Chinese non-military coercion – Tactics and rationale', Brookings Report, 22 January 2019.

<sup>23</sup> Wei C-hung, "China's Economic Offensive and Taiwan's Defensive Measures: Cross-Strait Fruit Trade, 2005–2008" (2013) 215 *The China Quarterly* 641

<sup>24</sup> Pal D, "China's Influence in South Asia: Vulnerabilities and Resilience in Four Countries" (*Carnegie Endowment for International Peace* October 13, 2021) <<https://carnegieendowment.org/2021/10/13/china-s-influence-in-south-asia-vulnerabilities-and-resilience-in-four-countries-pub-85552>> accessed January 25, 2023

<sup>25</sup> 'Changing Economic Trends in Taiwan', East Asia Forum, 20 August 2019.

<sup>26</sup> Lai C, "More than Carrots and Sticks: Economic Statecraft and Coercion in China–Taiwan Relations from 2000 to 2019" (2021) 42 *Politics* 410

<sup>27</sup> Lin B and others, "How and Why China Uses Gray Zone Tactics" (*RAND Corporation* March 30, 2022) <[https://www.rand.org/pubs/research\\_briefs/RBA594-1.html](https://www.rand.org/pubs/research_briefs/RBA594-1.html)> accessed January 25, 2023



zone tactics,”<sup>28</sup> which involve a range of non-military measures, such as economic and diplomatic pressure, that fall short of open warfare. An example of this was the recent incident in which China flew over 145 warplanes over Taiwan, an act that was widely seen as a show of force and a warning to Taiwan and other regional actors.<sup>29</sup>

In recent years, Taiwan has experienced a significant loss of industrial talent, as scientists, engineers, and young professionals have been enticed by generous salaries offered by companies in China. In 2018, it was estimated that 0.4 million of Taiwan's graduates were working in China, comprising 55% of Taiwan's overseas workforce.<sup>30</sup> China's current strategy towards Taiwan can be characterized as utilizing economic means to exert political pressure and influence the government through the public (Zhao, 2013).<sup>31</sup> As opposed to previous leaders of the Chinese Communist Party (CCP), such as Jiang Zemin and Hu Jintao, who indicated a willingness for compromise or ambiguity regarding Taiwan's status, President Xi Jinping has indicated a shift towards achieving political unification with Taiwan (Huang, 2017).<sup>32</sup> Beijing has increasingly employed non-militarized forms of coercion, such as economic sanctions and diplomatic isolation, in pursuit of shaping Taiwan's political future. Taiwan's economic dependence on China highlights its vulnerability to Beijing's sanctions targeted at specific sectors. China's use of economic coercion and selective incentives has played a significant role in supporting its overall Taiwan strategy from the 1990s to the present (Tanner, 2007).<sup>33</sup> For example, in 1999-2001, Beijing warned that Taiwanese companies would be barred from doing business in China if they expressed support for Taiwan's independence or had strong ties to the Democratic Progressive Party (DPP).<sup>34</sup> The Acer and Chi Mei groups were among the companies that fell victim to these sanctions, as they were perceived as promoting Taiwan's independence and had close ties with the Taiwanese president. Relations between China and Taiwan further deteriorated in 2016 when President Tsai Ing-wen, a member of the DPP, took office in Taiwan.<sup>35</sup> She refused to accept the "1992 consensus,"<sup>36</sup> an agreement that acknowledges the existence of only one China, with different interpretations from Taipei and Beijing. The DPP's pro-independence stance prompted Beijing to implement a series of coercive measures aimed at undermining Taiwan's economy and national interests. These measures included discontinuing official communications with Taiwan's

---

<sup>28</sup> Ibid

<sup>29</sup> “Over 145 Chinese Air Force Planes Violate Taiwan Airspace” (*Business Insider* October 5, 2021) <<https://www.businessinsider.in/international/news/over-145-chinese-air-force-planes-violate-taiwan-airspace/articleshow/86777502.cms>> accessed January 25, 2023

<sup>30</sup> Lai C, “More than Carrots and Sticks: Economic Statecraft and Coercion in China–Taiwan Relations from 2000 to 2019” (2021) 42 *Politics* 410

<sup>31</sup> Ibid

<sup>32</sup> Ibid

<sup>33</sup> Bush RC, “Taiwan's Democracy and the China Challenge” (*Brookings* March 9, 2022) <<https://www.brookings.edu/articles/taiwans-democracy-and-the-china-challenge/>> accessed January 25, 2023

<sup>34</sup> Ibid

<sup>35</sup> *Xinhua*. 2016. ‘President Xi Warns against “Taiwan independence” in any Form’, *Xinhua*, 5 March 2016, [http://news.xinhuanet.com/newscenter/2009-04/26/content\\_11260584.htm](http://news.xinhuanet.com/newscenter/2009-04/26/content_11260584.htm) (accessed on 7 August 2016).

<sup>36</sup> “Is This the End of the 1992 Consensus?” (*The Diplomat* December 1, 2021) <<https://thediplomat.com/2020/01/is-this-the-end-of-the-1992-consensus-2/>> accessed January 25, 2023

Mainland Affairs Council and curtailing the flow of tourists to Taiwan, resulting in an estimated 22% decrease in visitors from China compared to the 2016-2017 period.<sup>37</sup> From Beijing's perspective, failing to take coercive measures would likely result in further provocation from Taiwan and the United States in the future. However, this rationale has led to an increase in the use of sanctions against Taiwan, potentially causing a negative perception among the Taiwanese public.

## Taiwan's Defence Options

In response to this growing aggression, the United States and other powers have been increasing their military presence and support for Taiwan. The United States has been selling more arms to Taiwan and working to build Taiwan's capacity to defend itself through the Compact on Cooperation and Training.<sup>38</sup> Additionally, there has been a growing push for a “quadrilateral security dialogue” between the United States, Australia, India, and Japan, which is aimed at strengthening security and defense cooperation in the region.<sup>39</sup> Another notable development in the region is the emergence of a “democracy grouping”<sup>40</sup> that includes Taiwan but without representation from the President of Taiwan. This grouping is seen as an attempt to counterbalance China's growing influence and assertiveness and includes countries like the United States, Japan, and Australia.

India, Japan, and Australia are also seen as potential “balancing powers” in the region, as they are all major military powers that are committed to preserving a balance of power in the Indo-Pacific.<sup>41</sup> However, it is worth noting that none of these countries has a formal defense treaty with Taiwan, which could limit their ability to intervene in the event of a Chinese invasion. Taiwan's unambiguous legal status severely restricts how it can react to threats from China.<sup>42</sup>

As of June 2019, only 16 sovereign States and the Holy See have official diplomatic relations with Taiwan.<sup>43</sup> However, many States have developed substitutes for diplomatic and consular relations and maintain private associations as unofficial representative offices in Taiwan. Similar institutions, called ‘Taipei Economic and Cultural Representative Offices’, are held by Taiwan in foreign States to maintain unofficial bilateral relations and

---

<sup>37</sup> *Xinhua*. 2016. ‘President Xi Warns against “Taiwan independence” in any Form’, *Xinhua*, 5 March 2016, [http://news.xinhuanet.com/newscenter/2009-04/26/content\\_11260584.htm](http://news.xinhuanet.com/newscenter/2009-04/26/content_11260584.htm) (accessed on 7 August 2016).

<sup>38</sup> Reuters, “U.S. Approves Potential \$1.1 Billion Arms Sale to Taiwan amid China Tensions” (*The Hindu* September 3, 2022) <<https://www.thehindu.com/news/international/us-approves-potential-11-billion-arms-sale-to-taiwan-amid-china-tensions/article65844074.ece>> accessed January 25, 2023

<sup>39</sup> Buchan PG and Rimland B, “Defining the Diamond: The Past, Present, and Future of the Quadrilateral Security Dialogue” (*CSIS*) <<https://www.csis.org/analysis/defining-diamond-past-present-and-future-quadrilateral-security-dialogue>> accessed January 25, 2023

<sup>40</sup> Bush RC, “Taiwan's Democracy and the China Challenge” (*Brookings* March 9, 2022) <<https://www.brookings.edu/articles/taiwans-democracy-and-the-china-challenge/>> accessed January 25, 2023

<sup>41</sup> Jaishankar D, “Acting East: India in the Indo-Pacific” (*Brookings* March 9, 2022) <<https://www.brookings.edu/research/acting-east-india-in-the-indo-pacific/>> accessed January 25, 2023

<sup>42</sup> HJ Feldman (ed) *Constitutional Reform and the Future of the Republic of China* (Sharpe Armonk 1991).

<sup>43</sup> RL-T Chen ‘The Legal Status of Taiwan’ (1992) 7 *Soochow Law Journal* 301–29.

provide consular services.<sup>44</sup> The use of substitutes for diplomatic and consular institutions serves to alleviate the consequences of Taiwan's status as a non-State entity.<sup>45</sup> Unofficial or 'quasi-diplomatic' relations between the US and Taiwan are conducted through the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the US. Under Sec. 7 Taiwan Relations Act, the employees of the American Institute in Taiwan are authorized to provide notarial services, to conserve the estates of deceased citizens, and to perform such other consular acts as the President may specify.<sup>46</sup> Such acts are as valid as if performed by any other person authorized under the laws of the US to perform such acts. Negotiations and the conclusion of agreements between Taiwan and the US are conducted through the American Institute and the Taipei Representative Office. The language and content of agreements concluded between the two unofficial agencies resemble those concluded directly between governments.<sup>47</sup>

Art. 51 UN Charter provides for the right of self-defense if an armed attack occurs against a member of the UN.<sup>48</sup> Since the relationship between mainland China and Taiwan has to be regarded as being part of international relations in the sense of Art. 2 (4) UN Charter, an armed attack by Taiwan against mainland China gives rise to the right of the original state to respond in self-defense under Art. 51 UN Charter (Henderson 397–99). About an armed attack against Taiwan, Art. 51 UN Charter does not directly apply, as Taiwan is a non-State entity and not a UN member.<sup>49</sup> However, the customary right to self-defense is not only reserved for States but also applies to de facto regimes that can be assimilated into States as they have to defend from an armed attack a certain territory and a population as well as their political independence. Further, Taiwan has established a military capability that has received a certain degree of acquiescence. If Taiwan possesses sufficient legal personality to procure military weapons, it should also be regarded as having the adequate legal personality to be subject to the most fundamental rights and obligations that govern the use of armed force. Moreover, as the use of force by mainland China against Taiwan is regarded as part of international relations in the sense of Art. 2 (4) UN Charter, any unlawful use of force that reaches the threshold of an armed attack allows Taiwan to defend itself under the customary right to self-defense also against the original State (Henderson 401–2).<sup>50</sup>

---

<sup>44</sup> BTK Joei 'The Republic of China's United Nations Membership' (1992–94) 12 Chinese Yearbook of International Law and Affairs 21–41.

<sup>45</sup> RL-T Chen 'The Statehood of the ROC on Taiwan' (1993) 8 Soochow Law Journal 153–75.

<sup>46</sup> P Tozzi 'Constitutional Reform on Taiwan: Fulfilling a Chinese Notion of Democratic Sovereignty?' (1995) 64 FordhamIntLJ 1193–251.

<sup>47</sup> Z Fu 'The International Legal Status of Taiwan: China's Perspective of the Taiwan Issue' (1996) 1 UCLAJIntL&ForAff 321–50.

<sup>48</sup> Zeng Jinghan. 2014. 'The Debate on Regime Legitimacy in China: Bridging the Wide Gulf Between Western and Chinese Scholarship', *Journal of Contemporary China*, Vol. 23, No. 88, 612–35.

<sup>49</sup> Ibid

<sup>50</sup> "Does Taiwan Have the Right of Self-Defence?" (*Council on Foreign Relations*) <<https://www.cfr.org/article/does-taiwan-have-right-self-defence>> accessed January 25, 2023

## Taiwan-Japan

Chinese authorities have expressed concerns over Japan's perceived efforts to increase its military capabilities, particularly considering the implementation of the 1997 Japan-United States Defence Cooperation Guidelines and the 2003 War Contingency Law.<sup>51</sup> These measures have granted greater freedom of action to Japanese armed forces and have been viewed by Chinese leaders as provocative.

In addition to these guidelines and laws, Chinese authorities have also taken issue with joint military drills between the United States and Japan in Taiwan, as well as joint island-landing training.<sup>52</sup> Furthermore, statements by Japanese policymakers, such as former Prime Minister Yasuhiro Nakasone's suggestion that Japan should consider nuclear armament, have been perceived by Chinese officials as further evidence of Japan's attempts to maximize its power. Furthermore, Japan's deployment of defense assets for the defense of southern islands, including the deployment of F-15J fighters to Okinawa, has been seen as a potential threat by Chinese authorities.<sup>53</sup> Additionally, the authorization of the Japanese Maritime Self-Defence Forces to intercept "suspicious vessels" has also contributed to China's perception of Japan's power maximization. Former Prime Minister Shinzo Abe's statement that Japan would provide support for US forces in the event of a military invasion of Taiwan is also seen as a sign of Japan's desire to increase its military power.<sup>54</sup> China's government points to these actions as evidence of Japan's attempts to maximize its military power, and this has led to increased tensions between the two nations.

These concerns over Japan's military capabilities are further compounded by the fact that many Japanese authorities have grown "anxious about China's modernization of its conventional and nuclear capabilities".<sup>55</sup> They believe that China is maximizing its power to control Taiwan, as a precursor to the domination of the East China Sea. This has led to a sense of unease among Japanese leaders and the general public, and many have called for a more "equal relationship" within the Japan-US security alliance.<sup>56</sup>

In conclusion, Chinese authorities have expressed concerns over Japan's perceived efforts

---

<sup>51</sup> Mira Rapp-Hooper MSC, "Responding to China's Complicated Views on International Order" (*Carnegie Endowment for International Peace*) <<https://carnegieendowment.org/2019/10/10/responding-to-china-s-complicated-views-on-international-order-pub-80021>> accessed January 25, 2023

<sup>52</sup> Cheung E, Yeung J and Jozuka E, "China Carries out Military Exercises near Taiwan and Japan, Sending 47 Aircraft across Taiwan Strait in 'Strike Drill'" (*CNN* December 26, 2022) <<https://edition.cnn.com/2022/12/25/asia/taiwan-china-aircraft-incursions-intl-hnk/index.html>> accessed January 25, 2023

<sup>53</sup> "Chinese Threat to Japan and Okinawa Bases behind F-15 Phaseout, Expert Says" <<https://www.aviationpros.com/aircraft/defence/news/21286975/chinese-threat-to-japan-and-okinawa-bases-behind-f15-phaseout-expert-says>> accessed January 25, 2023

<sup>54</sup> Yuichiro H, "Late PM ABE: Only Deterrence Can Protect Taiwan: NHK World-Japan News" (*NHK WORLD* December 26, 2022) <<https://www3.nhk.or.jp/nhkworld/en/news/backstories/2175/>> accessed January 25, 2023

<sup>55</sup> Afp, "Japan Approves Major Defence Overhaul, Warning of China Threats" (*The Hindu* December 16, 2022) <<https://www.thehindu.com/news/international/japan-approves-major-defence-overhaul-warning-of-china-threats/article66271454.ece>> accessed January 25, 2023

<sup>56</sup> Ibid

to increase its military capabilities, as evidenced by the implementation of the 1997 Japan-United States Defence Cooperation Guidelines and the 2003 War Contingency Law, as well as joint military drills with the United States in Taiwan, training for island landings, statements by Japanese policymakers and the deployment of defence assets towards the defence of southern islands.<sup>57</sup> These actions have been viewed as provocative and perceived as an attempt to maximize power, which has led to increased tensions between the two nations. In 2021, Japanese leaders made a series of high-profile statements concerning Taiwan and the Taiwan Strait, with the most notable being made by the Deputy Prime Minister in July, in which he appeared to pledge to defend Taiwan if China attacked.<sup>58</sup> These statements attracted significant global attention given the increasing tensions between the US and China and across the Taiwan Strait. However, it's important to note that Japan's government has not made an explicit commitment to defend Taiwan or to assist a possible US military response in the event of a cross-strait conflict.<sup>59</sup> Japan's official policy on Taiwan has been ambiguous for decades, and its likely response in the event of a conflict is uncertain. Japan officially recognizes Beijing as the sole legal government of China but does not recognize Beijing's claim of sovereignty over Taiwan. Japan prioritizes peaceful resolution and does not engage in military cooperation with Taiwan or sell defensive arms to bolster deterrence.<sup>60</sup> Furthermore, Japan does not have a domestic law similar to the US-Taiwan Relations Act.<sup>61</sup>

## Taiwan-USA

It is without question that the United States holds a significant position in Taiwan, both in terms of security and economic ties. The United States is the only country that can provide military defence for Taiwan in the event of a potential threat from China. This is demonstrated through the ongoing arms sales to Taiwan by the Taiwan Relations Act.<sup>62</sup> In terms of economic relations, the United States serves as Taiwan's third largest trading partner, with bilateral trade reaching a total of \$62.1 billion in 2011, as reported by the Bureau of Foreign Trade. Furthermore, the United States is the largest foreign investor in Taiwan, with a cumulative stock of direct investments surpassing \$21 billion.<sup>63</sup>

<sup>57</sup> “Angry China Conducts Fresh Military Drills around Taiwan as Five US Lawmakers Visit Taipei” (*The Economic Times*) <<https://economictimes.indiatimes.com/news/defence/china-says-conducts-fresh-military-drills-around-taiwan/articleshow/93569839.cms?from=mdr>> accessed January 25, 2023

<sup>58</sup> Liff AP, “Has Japan's Policy toward the Taiwan Strait Changed?” (*Brookings* March 9, 2022) <<https://www.brookings.edu/blog/order-from-chaos/2021/08/23/has-japans-policy-toward-the-taiwan-strait-changed/>> accessed January 25, 2023

<sup>59</sup> Ibid

<sup>60</sup> Zuo Yana. 2016. *Evolving Identity and Politics and Cross-Strait Relations: Bridging Theories of International Relations and Nationalism*. Basingstoke: Palgrave Macmillan.

<sup>61</sup> Liff AP, “Has Japan's Policy toward the Taiwan Strait Changed?” (*Brookings* March 9, 2022) <<https://www.brookings.edu/blog/order-from-chaos/2021/08/23/has-japans-policy-toward-the-taiwan-strait-changed/>> accessed January 25, 2023

<sup>62</sup> “US Arms Sales to Taiwan” (*Forum on the Arms Trade*) <<https://www.forumarmstrade.org/ustaiwan.html>> accessed January 25, 2023

<sup>63</sup> “US Arms Sales to Taiwan” (*Forum on the Arms Trade*) <<https://www.forumarmstrade.org/ustaiwan.html>> accessed January 25, 2023

Additionally, there is a significant cultural exchange between the two countries, with the United States being the top destination for Taiwanese students studying abroad and Taiwan being a significant source of foreign students in the United States, with a total of 27,000 students in 2010.<sup>64</sup> The United States has also been a vocal advocate for Taiwan's participation in international organizations and activities. However, it should be noted that the United States' influence in Taiwan has seen a decline in recent years. This is evident in the hesitation shown by the United States in selling advanced weaponry to Taiwan due to concerns about potential Chinese opposition. Additionally, there has been a substantial decrease in American trade with Taiwan, which has dropped to third place after China and Japan. Before 2002, the United States was Taiwan's top trading partner for more than four decades.<sup>65</sup> Furthermore, in terms of foreign tourism, the number of American visitors to Taiwan has decreased, with Mainland Chinese, Japanese, and visitors from Southeast Asian countries surpassing American visitors in 2011.<sup>66</sup>

## Evolving Foreign Policies

The recent inclusion of explicit references to Taiwan and cross-strait relations in a joint statement between Japan and the United States is significant because it is the first time in over 50 years that such references have been made. The previous reference was in 1969 under vastly different circumstances, as both countries had formal diplomatic relations with the Taiwan-based Republic of China and viewed it as the legitimate government of China.<sup>67</sup> However, in 1972, diplomatic ties between the US and the People's Republic of China were established, leading to the "1972 arrangement" which pushed Taiwan to the periphery of international affairs but did not change its de facto independence from mainland China.<sup>68</sup> Over the next few decades, Taiwan developed a separate identity and built a robust economy, and in recent years, China has been pursuing an aggressive policy to bring Taiwan under its control. The US and Japan's posture towards Taiwan has also changed in recent years, with the US viewing Taiwan as a check against China's power and the Japan-US joint statement reflecting this change.<sup>69</sup>

---

<sup>64</sup> "From Studies to Work and Residence" (*Taiwan Business TOPICS* April 16, 2015) <<https://topics.amcham.com.tw/2015/04/from-studies-to-work-and-residence/>> accessed January 25, 2023

<sup>65</sup> Liu D-N, "The Trading Relationship between Taiwan and the United States: Current Trends and the Outlook for the Future" (*Brookings* March 9, 2022) <<https://www.brookings.edu/opinions/the-trading-relationship-between-taiwan-and-the-united-states-current-trends-and-the-outlook-for-the-future/>> accessed January 25, 2023

<sup>66</sup> Lee J-M and others, "Mainland Chinese and Japanese Tourists in Taiwan: The Travel Mode and Shopping Expenditures" (2017) 05 *Open Journal of Social Sciences* 100

<sup>67</sup> Liff AP, "Has Japan's Policy toward the Taiwan Strait Changed?" (*Brookings* March 9, 2022) <<https://www.brookings.edu/blog/order-from-chaos/2021/08/23/has-japans-policy-toward-the-taiwan-strait-changed/>> accessed January 25, 2023

<sup>68</sup> "Dawn of a New Era in Taiwan Policy: Restructuring the '1972 Arrangement'" (*nippon.com* May 20, 2021) <<https://www.nippon.com/en/in-depth/a07401/>> accessed January 25, 2023

<sup>69</sup> Jennings R, "US-Japan Statement Raises Issue of Taiwan Defence against China" (*VOA* April 24, 2021) <[https://www.voanews.com/a/east-asia-Pacific\\_us-japan-statement-raises-issue-taiwan-defence-against-china/6204998.html](https://www.voanews.com/a/east-asia-Pacific_us-japan-statement-raises-issue-taiwan-defence-against-china/6204998.html)> accessed January 25, 2023

## Consequences of War Between China and Taiwan

The potential invasion of Taiwan would have significant ramifications on the global economy due to Taiwan's prominent role as a supplier of semiconductors, which are essential components in various electronic devices.<sup>70</sup> In 2021, Taiwan had a trading volume of \$922 billion, ranking it as the 16th largest trading economy in the world.<sup>71</sup> However, a blockade would greatly disrupt almost all of this trade, with around \$565 billion of Taiwanese value-added trade being at high risk of disruption.<sup>72</sup> The most significant economic impact would stem from disruptions to the supply chains of semiconductors and related downstream industries.<sup>73</sup> Taiwan is a major producer of advanced logic chips, accounting for 92% of global production, as well as a significant amount of less advanced but critical chips.<sup>74</sup> A leading chip foundry in Taiwan, TSMC, is responsible for a significant proportion of the world's automotive microcontrollers, smartphone chipsets, and high-end graphics processing units used in PCs and servers.<sup>75</sup> A conservative estimate suggests that companies in these industries could lose up to \$1.6 trillion in revenue annually in the event of a blockade.<sup>76</sup>

Research conducted by the Rhodium Group in 2022 estimates that Taiwan supplies approximately 20% of the world's semiconductors, indicating the potential for severe disruptions to global economies if these supplies were to be cut off.<sup>77</sup> A conflict between China and Taiwan would have immense economic consequences, as demonstrated by the Rhodium Group's research. The scale of economic activity at risk of disruption in a Taiwan Strait conflict is substantial, with an estimated two trillion dollars at risk in a blockade scenario alone. These disruptions would have a significant impact on trade and investment on a global scale, affecting a vast number of countries. The process of estimating the economic consequences of such a conflict is hindered by the diverse forms it could take and the lack of publicly available data on semiconductor supply chain activity. The analysis adopted a simplified and partial approach, focusing on the most critical areas of economic disruption and providing a snapshot of activity at risk in a blockade scenario today, without making predictions about how such a crisis might evolve. The estimates should be considered conservative and do not factor in potential additional disruptions from a military escalation or international sanctions. Furthermore, China may use its economic power to

---

<sup>70</sup> Varas et. al, "Strengthening the Global Semiconductor Supply Chain in an Uncertain Era," Semiconductor Industry Association and Boston Consulting Group, April 2021.

<sup>71</sup> Vest C, "The Global Economic Disruptions from a Taiwan Conflict" (*Rhodium Group* December 13, 2022) <<https://rhg.com/research/taiwan-economic-disruptions/>> accessed January 25, 2023

<sup>72</sup> Ibid

<sup>73</sup> Varas et. al, "Strengthening the Global Semiconductor Supply Chain in an Uncertain Era," Semiconductor Industry Association and Boston Consulting Group, April 2021.

<sup>74</sup> Vest C, "The Global Economic Disruptions from a Taiwan Conflict" (*Rhodium Group* December 13, 2022) <<https://rhg.com/research/taiwan-economic-disruptions/>> accessed January 25, 2023

<sup>75</sup> "Taiwan Semiconductor Manufacturing Company Limited" <<https://www.tsmc.com/english>> accessed January 25, 2023

<sup>76</sup> Vest C, "The Global Economic Disruptions from a Taiwan Conflict" (*Rhodium Group* December 13, 2022) <<https://rhg.com/research/taiwan-economic-disruptions/>> accessed January 25, 2023

<sup>77</sup> Daniel Rosen and Nicholas Lardy, "Prospects for a US-Taiwan Free-Trade Agreement," December 2004; Daniel Rosen and Zhi Wang, "The Implications of China-Taiwan Economic Liberalization," January 2011.

bypass any potential sanctions and exert leverage on superpowers.<sup>78</sup> This could include measures such as requiring importers and exporters to transact in the renminbi instead of dollars, which would have a significant impact on global economies.<sup>79</sup>

The international community is not well-prepared to respond to a potential invasion of Taiwan, as several challenges need to be overcome. Firstly, the sanctions imposed on Russia for its invasion of Ukraine have had relatively little impact, indicating that similar measures may not be effective in the case of Taiwan. Secondly, countries such as India, Gulf States, and Israel, which are US allies, are avoiding taking a clear stance on the issue, potentially limiting the effectiveness of any international response. And thirdly, Europe may not be inclined to become involved in a potential conflict, which would leave the United Nations Security Council with limited ability to impose sanctions. Overall, the potential economic consequences of a conflict between China and Taiwan are significant and far-reaching, and the global community must be aware of the potential impacts and take measures to mitigate them. The semiconductor industry is an essential part of the world economy, and its disruption could have severe consequences for many sectors. Moreover, the international community should also be prepared for China's potential economic countermeasures to sanctions and work together to minimize the impact on the global economy.

## Conclusion

The escalating tensions between China and Taiwan in the Indo-Pacific region have significant implications for regional stability and global economic security. While China sees Taiwan as a breakaway province, Taiwan maintains its government and has increasingly sought international recognition as a sovereign state. The potential for a military conflict between the two nations poses a threat to regional stability and could have severe economic consequences, particularly in terms of disruptions to global supply chains. The international community, including countries in the Indo-Pacific region, must closely monitor the situation and take steps to prevent an escalation of tensions. Furthermore, countries need to align their economic and diplomatic policies with their national interests and security, and not be swayed by China's economic acumen to bypass any possible sanctions. As the world is moving towards multipolarity, nations need to work together to maintain peace and stability in the region. The ongoing war between Russia and Ukraine serves as a cautionary example of the potential escalation and internationalization of a territorial dispute. The international community must closely monitor the situation and actively work towards a peaceful resolution and de-escalation to prevent a devastating conflict in the Indo-Pacific region.

---

<sup>78</sup> U.S.-China Economic and Security Review Commission, "Chinese Companies Listed on Major U.S. Stock Exchanges, September 2022.

<sup>79</sup> Sinem Hacioglu Hoke, "Macroeconomic Effects of Political Risk Shocks," Bank of England, December 2019.



---

# Securitisisation of Climate in the Indo-Pacific

*Harshita Mahajan*

---

Even though the issue of climate change is as real as the revolution of the Earth around the sun, it has still not been given the same level of importance and urgency as other conventional security threats. Climate Security is believed by some to result in unnecessary militarisation of generic phenomena like climate and environment. However, securitising climate is essential in contemporary times because climate change has become an extraordinary threat that cannot be dealt alone by any one country or region. It has also become unignorable since climate change has been causing as many deaths and displacement of people, and their livelihoods as other conventional threats like terrorism. Climate change is likely to alter the local physical and strategic environment profoundly, and potentially catastrophically.

Indo-Pacific is the world's most populated region which is also the most vulnerable to the effects of climate change. Changes in the oceans are a particular focal point. This region is home to various island nations and mega-coastal cities, hence, with the rising sea levels, floods have become a normal occurrence. They are also exposed to storm surges and saltwater intrusion into freshwater aquifers. These nations and cities are highly dependent on fishing not just for livelihood but also for self-sustenance and therefore, with unpredictable waters, there can be further tightening of the international rules-based approach to fishing governance. This could in turn increase tensions, violent confrontations, and military brinkmanship over multiple overlapping and competing territorial claims in not just South China Sea but also, the Indian Ocean.

For instance, Vietnam and China are huddled in a tenuous battle over sovereignty, oil and gas claims, and fishing rights in the South China Sea. These tensions are bound to grow further with the projected sea level rise which would also strengthen the rationale for building up the defence in various islands such as Vietnam's development of 49 outposts on the submerged reefs and banks in the Spratly Islands. Apart from the threat being imposed by climate change on the sovereignty of nations like Vietnam, it also must be wary of the impact of flooding and the salination of its major rivers and deltas as it can adversely affect the economic productivity of such countries.

Similar tensions and confrontations over water can be seen in the Indian sub-continent where the reduced or altered water flows in the Himalayas and Indus River basin could further degrade the already tense India-Pakistan relationship. India-Pakistan border is one of the most militarised borders in the world. Therefore, climate security can burgeon the

potential for offensive or defensive military buildup which can lead to misunderstandings, or scaremongering. The Indus River system is particularly crucial to Pakistan's economy and energy security. It not only caters to the economic needs of an agricultural country like Pakistan but also, is essential for the Chinese infrastructural projects in Pakistan under the Belt and Road Initiative (BRI). BRI has already raised concerns in India over the sovereignty and security of the region. Hence, such dynamics are only going to deepen the distrusts among the states and increase the tensions between them. In such an insecure region where the stakes have forever been high, climate impacts could drive and compound the tensions, leading to hostilities, or otherwise worsen the confrontation between the two countries.

While talking about climate change and its impact, it is not possible to overlook the devastating floods that consumed Pakistan in 2022. Since the monsoon began in mid-June 2022, floods in Pakistan have affected at least 33 million and killed around 1,739 people (as of 18<sup>th</sup> November 2022)<sup>80</sup>. According to the post-disaster needs assessment, flooding has caused \$14.9 billion in damages and \$15.2 billion in economic losses<sup>81</sup>. Pakistan was already treading towards a financial crisis with its foreign reserves being in a dire state prior to the floods, however, the ongoing climate calamity has further accelerated the fall of economy into a downwards spiral. Multidimensional poverty is estimated to increase by 5.9 percentage points, resulting in an additional 1.9 million households being at the risk of being pushed into poverty<sup>82</sup>. According to the official reports, nearly 15% of the rice crop and 40% of the cotton crop were affected due to the floods. Hence, the food security situation has also become catastrophic with even the most essential things like wheat becoming an unaffordable commodity. Around 7.9 million people are estimated to be displaced by the floods. Climate change might not project itself as an immediate or urgent threat to people at present, however, the rippling effect caused by it needs to be acknowledged. As in the case of Pakistan, the floods are rippling into economic, social, and political instability and unrest. This presents a major security challenge for neighbouring countries like India, which is already affected by infiltration of unfriendly actors from Pakistan.

The interplay between climate change and existing security challenges is not limited to direct impacts on countries' national security. For example, Japan has exceptional capabilities to respond and mitigate disasters and is a regional leader in risk reduction as well as a major donor in the Indo-Pacific region. However, in an era of hyper-globalisation, it is hard for even the most advanced and resilient countries to avoid the consequences of climate change. This is so because the most important sectors of various countries are dependent on supply chain components and revenue from locations at risk from climate change like India, Indonesia, Philippines, Vietnam, Bangladesh, etc. Therefore, it is hard for any nation to avoid the challenges emanating from climate change and hence, it is a

---

<sup>80</sup> UN OCHA, *Revised Pakistan 2022 Floods Response Plan: 01 Sep 2022 - 31 May 2023* (Issued 04 Oct 2022)

<sup>81</sup> UN OCHA, *Revised Pakistan 2022 Floods Response Plan: 01 Sep 2022 - 31 May 2023* (Issued 04 Oct 2022)

<sup>82</sup> UN OCHA, *Pakistan floods 2022: Post disaster Needs Assessment*, 2022

security threat that requires the involvement of diverse actors, nations, and their governments.

The devastating impact and intertwined nature of climate change needs urgent attention. Militaries of like-minded states need to work together on climate security. It can also be viewed as reinforcing alliances or defence arrangements like the Quad. Out of all the Quad countries, Australia has been pushing the climate agenda not just for itself but also for other member countries. It aims to partner with not just Quad countries but also other countries in Indo-Pacific to reduce emissions. The Australian Government is contributing to the creation of a carbon market for offset trading in the region. The scheme has around \$100 million in funding and will run for ten years until 2031<sup>83</sup>. Its first partners are Fiji and Papua New Guinea. The scheme aims to create opportunities for Australian businesses to offset their emissions while also providing environmental, climate adaptation, and livelihood benefits for communities of the partner countries'. Australia also boasts a developmental assistance program, guided by its Climate Change Action Strategy. The strategy sets three key objectives. First, supporting partner countries to adapt, plan, prepare and respond to climate-related impacts. Second, to promote the shift to lower-emissions development in the Indo-Pacific, and lastly, to support innovative solutions to climate change.

It is a shame that other Quad members are not proactive in the formulation of policies for the management and eventual reduction of the impact of climate change in the region. Home to a quarter of the world's population and roughly 35 percent<sup>84</sup> of the world's GDP, the Quad can prove to be a torch-bearer for the global climate agenda. Even though, in March 2021, the Quad nations declared the establishment of the Climate Working Group (CWG) to promote cooperation on climate mitigation, adaptation, resilience, technology, capacity building, and climate finance. The objective is also to align these features to domestic, regional, and global actions for the implementation of the Paris Agreement. In 2022, the Quad agreed to cooperate on disaster risk reduction for extreme weather events, including through the Coalition for Disaster Resilient Infrastructure (CDRI). The Alliance is said to advance the development of clean hydrogen and clean ammonia fuels and the mitigation of methane emissions across liquified natural gas sectors. It will cooperate to enhance capacity in the broader Indo-Pacific region to participate in high-integrity carbon markets. Quad needs to adopt a similar approach and commitment towards dealing with threats like climate change as it deals with the issue of maritime security in the South China Sea. Quad needs to branch into different areas of cooperation other than military and maritime to stem itself as a truly global alliance.

Climate change is not a challenge that a country can tackle on its own, no matter the

---

<sup>83</sup> Australian Government. n.d. *Supporting climate action in the Indo-Pacific region*. <https://www.dcccew.gov.au/climate-change/international-commitments/indo-pacific-region>.

<sup>84</sup> Jyotsna Mehra, "The Australia-India-Japan-US Quadrilateral: Dissecting the China Factor," ORF Occasional Paper No. 264, August 2020.

resources and will. It is a common threat without borders and hence, requires the involvement of all the actors, be it the government, NGOs, or other organisations. Indo-Pacific is an extremely volatile region with various challenges plaguing it or ahead of it. However, with cooperation and support, climate change can be deterred or at least mitigated. It is essential that the developed nations in the region like the US, Japan, Australia, etc. realise the differences in responsibilities and support the developing or more vulnerable countries in building disaster-resilient infrastructure and mechanisms. Apart from the infrastructural and technological support, a financial bank also needs to be maintained which can aid the affected countries in their time of need. The Glasgow Agreement of 2021 has specifically mentioned finance has been the weakest pursuit of all these climate agreements. In 2009, \$100 billion were promised by developed countries every year and since then OECD has stated that \$80 billion were made available in 2019 and \$78 billion in 2018. Nonetheless, it would be beneficial for not just the region, but also the world to understand and acknowledge how climate change is slowly creeping into the realm of security and can become a bigger threat than other conventional threats if not dealt with seriously.



**Centre for Security Studies**

Jindal School of International Affairs

O.P. Jindal Global University

*All rights reserved @CSS, JSIA*