

Tillotoma Foundation

China-Taiwan Conflict and it's Impact on the Indo-Pacific

Stevani

Research Paper

Published by Tillotoma Foundation | October, 2022

2022

Introduction

Taiwan, also known as the Republic of China (ROC) is a region that has been separated and operated independently from the mainland China since 1949. Nonetheless, Beijing has always perceived this land as a part of China that will need to be unified with the mainland by any means necessary (Maizland, 2022). The issue between these two sides has almost never settled in a stable zone and it has been going on for decades even until the present day. The first crisis ever recorded between ROC and mainland China, otherwise known as the People's Republic of China (PRC), was the first Taiwan Strait crisis, which occurred around 1954. On September 1954, the PRC through the People's Liberation Army (PLA) deployed approximately 150,000 troops to Amoy and initiated some bombardments which targeted one of the remote islands controlled by ROC, the island of Quemoy which end up being hit by sixty shells, thus, provoked the awakening of military crisis among these parties (Matsumoto, 2012). Moreover, another huge crisis also followed three years after, when Beijing discharged month-long artillery to two islands near mainland China, Kinmen and Matsu, that are controlled by Taiwan. In this second crisis, Taiwan had been able to fight back with weaponry assistance from the US (The Strait Times, 2022).

In 1979, the United States adopted the notion o "One China policy", which meant that the US will acknowledge the People's Republic of China as the only authority that holds control of all of China. Although it has prioritized Beijing in this policy, the US also established the trade and military bond with Taipei in case of unpredictable future attacks from China. The motive for this decision was believed to maintain the balance in Taiwan Strait and deter the chance of war between China and Taiwan (Al Jazeera, 2019; McCready, 2003). Nonetheless, it did not last long before the third Taiwan crisis escalated in 1996, the crisis occurred when China sent troops to Taiwan and did some missile test in Keelun and Kaohsiung which was Taiwan's most significant seaports. Taiwan got alerted and prepared to manage the attack while the US also began to get involved to monitor the Chinese military which could turn into a serious conflict. The tension centered on the discussion of the policy between these two regions. China would argue that they would need that Beijing and Taipei must have one country and two systems while also following the one China policy that was mentioned previously. Nonetheless, Taiwan disagreed with the policy as it is argued to be the strategy for China to annex Taiwan. In this matter, Taiwan has been proposing for them to keep existing as two separate parts as ROC and PRC while working together to have

Ms Stevani is an International Research Intern at the Tillotoma Foundation.

one China as the goal (Qimao, 1996). However, PRC caught this as the signal of the dramatic change of leadership pattern in Taiwan and interpreted this to be the prospect for it to go for its independence which bring both this region into a more heated situation (Porch, 1999). Thus, it has been evident how the relationship between these two regions can hardly be settled down, in contrast, there is still some likelihood for the conflict to heat up again based on the current patterns that occurred between China and Taiwan.

The Rising Conflict in Taiwan Strait

There have been a variety of predictions for the future of the tension between China and Taiwan. Some of the claims posit that the attack from Beijing to Taipei is unlikely due to the high cost that it would need to bear. Despite the huge number of merits that China has, the Taiwan Strait that has distanced both sides has also posed some difficulties for China to take over Taiwan. Moreover, it is estimated that it would take thousands of artillery guns, tanks, rocket launchers, and armored personnel vehicles for Beijing to invade Taiwan (Watson, 2022). However, others also argue that there would still exist the tendency of war as China would likely plan to take over Taiwan despite the price. If that were happening, it is dubious that Taiwan would be able to stand up to China without the existence of external help (Maizland, 2022).

Nonetheless, the tension between these two sides has inevitably grown ever since 2016, when the rise of Tsai Ing-wen as a pro-democracy President of Taiwan, and under her leadership, Taiwan has been swiftly building the momentum to support the independence by disputing on consensus 1992, which was deliberately welcomed by her Democratic Progressive Party (DPP). On top of that, she and her party have raised the defense spending to approximately 17 Billion dollars in 2022 in order to defend their island from the military confrontation with China (Mazumdaru, 2022). Beijing responded by putting further pressure on Taiwan both militarily and politically. Furthermore, the latest visit of the US House of Representatives Speaker Nancy Pelosi to Taipei, has also arguably escalated the conflict as it has triggered Beijing to impose its military exercises. Before Pelosi arrived in Taiwan, it was reported that the People's Liberation Army (PLA) launched a 21-sortie incursion into Taiwan Air Defense Identification Zone (ADIZ) and also squeezed the median line of the Taiwan Strait before returning. The attack by using

aerial incursion is claimed to be part of China's displeasure with the growing ties between the United States and Taiwan. The main focus of this crisis is also located on the Taiwan Strait median line. It used to be the informal border to keep the militaries of these two regions apart for the purpose of limiting the chance of another cross-strait crisis like the one that had occurred before. However, starting from the 3rd to the 5th of August 2022, PLA has been dispatching some of the sorties, some of which have been crossing this median line, thus marked as a major violation of its existence. Moreover, since the 9th of August, it was also reported on the changing pattern of the violation from the PLA aircrafts, which definitely challenges the once respected median line. This action from the PRC side in the period around the 3rd to 15th of August has been argued to be the strategy that slowly nullifies its current state of affairs. After the visit of Nancy Pelosi on the 2nd of August, China once again reacted with the follow-up sanction of natural sand export to Taiwan and stop the import of fruits and seafood (Suorsa & U-jin, 2022).

The complication of this crisis is also that it is not only involving PRC and ROC but also indirectly involves the US due to the possibility of military escalation (Hsieh, 2020). Various measures that the US has been taking with Taiwan on this issue include joint military training with Taiwan, encouraging Taiwan to raise its defense budget, regularly sailing through Taiwan Strait to show its military presence, et cetera (Maizland, 2022).

In brief, both PRC and ROC came into a relationship that can hardly settle down, in contrast, it appears to be that the tension between these two sides has been escalating in the past few years and the conflict of the attack from China in this past August could be the sign of the fourth Taiwan Strait crisis. Nonetheless, the impact of this conflict appears to be hardly contained inside of the Taiwan Strait since some other states have been experiencing its side effect. For instance, Japan got a detrimental effect from it as the ballistic missiles that China fired had been getting into Japan's exclusive economic zone, thus making Japan became alert to the security threat from this issue (The Japan Times, 2022). Henceforth, many states, especially in the Indo-Pacific region have been keeping a close watch on the crisis since it seems like it would no longer be able to be contained inside of the Taiwan Strait anymore. Hence, this paper would elaborate on the current Taiwan Strait conflict between China and Taiwan and analyze its possible impact on the Indo-Pacific region.

Impact of the Taiwan Strait Conflict on the Indo-Pacific Region

The crisis of the PRC and ROC will inevitably sway the world to a certain degree. One of the most vivid instances would be in the economic sector as Taiwan is one of the major players in the world market, especially in technology. As reported by Brown (2022), Taiwan owns TSMC which is one of the hugest semiconductor manufacturers in the world with 65% of the global foundry market share in 2016. Nonetheless, not only that, but this conflict will also impact on a much wider scale, especially in the Indo-Pacific region. This has become evident due to the fact that some of the states inside this region have been strengthening their ties. Japan, the United States, Australia, and Singapore has been taking part in Garuda Shield military exercise in Indonesia as an action to tie their regional bond, along with India, Malaysia, the Republic of Korea and New Zealand.

Impact on Japan and South Korea

To commence with, Japan and South Korea are two states that would most likely get the major hit when the conflict between China and Taiwan broke out. Due to their geographical location which is very close to the disputed point, both states have been experiencing some unpleasant effects from this affair. South Korea has been having some security dilemmas in the wake of the conflict in the Taiwan Strait as it is worried that it could spill to the Korean peninsula. Moreover, it is also faced with a difficult situation to choose the option to deter China or not in this situation since it could worsen their cooperation with China which is needed to help with the denuclearization of North Korea (Blanchette et al., 2022). At the present, South Korea has taken the decision to stay away from the conflict. On contrary, Japan has been getting the direct impact of the conflict as Five missiles from the China-Taiwan crisis end up in Japan's Exclusive Economic Zone (EEZ) on August 4, which gave a warning for a security issue in Japan since the ability of China to attack Taiwan might also spread to Japan. It has inexorably influenced the way Japan is planning to increase military spending to defend its security during the time of this conflict. Some of the agenda is to build up new generations of anti-aircraft and anti-shipping in Okinawa and also sum up the effort to improve the drones that are predicted to be a valuable investment for the future. However, one major drawback of this that could occur is that it would

send out the wrong signal and provoke China into also putting more investment into the military and bring all other nations like North and South Korea, Vietnam, Philippines, North and South Korea, et cetera into this current conflict (Ryall, 2022).

Impact on the ASEAN Nations

Some of the South Asia states have been opting to act in a more passive manner which is not to meddle with this issue in order to not get a huge blow from this issue since it would disturb their trade with China (Kugelman, 2022). Most of the trade with the ASEAN countries commonly occurred through the Taiwan Strait, thus the occurrence of conflict in the area will inevitably blast a severe negative impact on the ASEAN economy. Just last year the export from Taiwan to the ASEAN region had given worth almost US\$70 billion US dollars while trade with mainland China was also calculated to be worth \$878 billion. Hence, the conflict itself can weaken this region's supply chain and economy. Nonetheless, by the influence of US existence, this conflict will consequently threaten to tear down the ASEAN countries where they would need to make a hard decision whether to choose to side with Taiwan or not. Their relation and their geographic location are also some of the significant factors that can influence their future action. Philippines is one of the states that predicted would be involved in this conflict by helping the US following their obligation from the 1951 Mutual Defense Treaty and it is also the fact that the continuation of it would not be beneficial since it would threaten the movement of goods by air and water around the Philippines and impose a security danger to this country as the northernmost island of it only located 190 km from Taiwan (Tiwari, 2022). Thailand is also predicted to be recruited by the US for its U-Tapao base. On the other hand, other following states, namely Vietnam, Philippines, Malaysia, and Indonesia consider that the Taiwan conflict could spill over to the South China Sea issue, the affair that they tried to deal with China for a couple of years. This argued that the aforementioned ASEAN states would dramatically improve their arms and might bring some closer ties to some states like Japan, Australia, and the US to defend against China's forces. Despite that, Laos, Brunei, Myanmar, and Cambodia would likely try to stay out of the conflict (Hutt, 2022).

Impact on India

The economical hit is most likely the result that India will face from the recent Taiwan Strait conflict. Since last year, New Delhi has been having an important economic engagement with Taiwan. With the bilateral trade estimated to be worth over 7 billion dollars, the investment of about 2.3 billion dollars from Taiwanese companies in India, and also some ongoing discussion to create a semiconductor manufacturing hub in India, the ties between these two sides appear to serve a good prospect in the future. Nonetheless, this relation seems to meet its challenges with the current conflict between China and Taiwan as there would be the possibility of Beijing restricting Taiwan's ties with others (Zeeshan, 2022).

Impact on Australia

As China, Japan, and South Korea are inevitably played the role of Australia's largest trading partners, major conflict in this region might induce a recession in Australia which will impact the Australian economy and standard of living (Taylor, 2020). With the expansion of the PRC's power projection, it has pushed Australia to think about the importance of Taiwan for regional stability, the need of forming the alliance, and Australia's security interest which might be laid on the desire to speed up their deterrence capabilities (Blanchette et al., 2022).

Conclusion

To recapitulate, the conflict that has risen in the Taiwan Strait is not only becoming a problem for the two regions that are directly involved which is China and Taiwan, but it turns up to also concern the other states like the United States while also bringing some further changes to the Indo-Pacific region. Most of the states in this region might recognize the plausible economic damage that this conflict might cause while others might become alert on account of the chance of security issues as the conflict can no longer be contained in that area. Apart from raising their military budget or improving their defense technology, it can also be argued that this conflict indirectly brought some of the states in the Indo-Pacific to build some bonds and work together in order to deal with the current clash in the Taiwan Strait.

References

- Al Jazeera. (2019, January 3). *Timeline: 70 years of Taiwan-China relations*. Breaking News, World News and Video from Al Jazeera.

 https://www.aljazeera.com/news/2019/1/3/timeline-taiwan-china-relations-since-1949
- Blanchette, J., Edel, C., Johnstone, C. B., Kennedy, S., Cha, V., Kim, E., & Poling, G. B. (2022, August 15). *Speaker Pelosi's Taiwan visit: Implications for the Indo-Pacific*. Center for Strategic and International Studies |. https://www.csis.org/analysis/speaker-pelosistaiwan-visit-implications-indo-pacific
- Brown, D. (2022, August 5). *China and Taiwan: A really simple guide*. BBC News. https://www.bbc.com/news/world-asia-china-59900139
- Hsieh, J. F. (2020). *Continuity and Change in the US-China-Taiwan Relations*. Journal of Asian and African Studies, 55(2). https://journals.sagepub.com/doi/10.1177/0021909620905051
- Hutt, D. (2022, September 2). *With us or against us amid a Taiwan war*. Asia Times. https://asiatimes.com/2022/08/with-us-or-against-us-amid-a-taiwan-war/
- Kugelman, M. (2022, August 11). *How China-Taiwan tensions play out in India*. Foreign Policy. https://foreignpolicy.com/2022/08/11/china-taiwan-strait-tensions-india-south-asia/
- Maizland, L. (2022, August 3). Why China-Taiwan relations are so tense. Council on Foreign Relations. https://www.cfr.org/backgrounder/china-taiwan-relations-tension-us-policy-biden
- Mazumdaru, S. (2022, July 26). *What's the Taiwan-China conflict all about?* DW.COM. https://www.dw.com/en/whats-the-taiwan-china-conflict-all-about/a-62604508
- McCready, D. (2003). *CRISIS DETERRENCE IN THE TAIWAN STRAIT*. Strategic Studies Institute, US Army War College. http://www.jstor.org/stable/resrep11316
- Ridgwell, H. (2022, August 5). *Indo-Pacific Allies seek NATO solidarity amid China's show of force over Taiwan*. VOA. https://www.voanews.com/a/indo-pacific-allies-seek-nato-solidarity-amid-china-s-show-of-force-over-taiwan-/6688012.html

- Ryall, J. (2022, August 5). *China's Taiwan aggression triggers fears of wider security crisis in Asia*. DW.COM. https://www.dw.com/en/chinas-taiwan-aggression-triggers-fears-of-wider-security-crisis-in-asia/a-62725490
- Suorsa, O. P., & U-jin, A. A. (2022, August 17). *Crossing the line: The makings of the 4th Taiwan Strait crisis?* The Diplomat The Diplomat is a current-affairs magazine for the Asia-Pacific, with news and analysis on politics, security, business, technology and life across the region. https://thediplomat.com/2022/08/crossing-the-line-the-makings-of-the-4th-taiwan-strait-crisis/
- Taylor, B. (2020). *Taiwan flashpoint: What Australia can do to stop the coming Taiwan crisis*. Lowy Institute for International Policy. http://www.jstor.org/stable/resrep24211
- The Straits Times. (2022, August 6). A timeline of milestones in relations between the US, China and Taiwan. https://www.straitstimes.com/asia/east-asia/a-timeline-of-milestones-in-relations-between-the-us-china-and-taiwan
- Tiwari, S. (2022, September 6). Will provide military base to US during China-Taiwan conflict Another country joins bandwagon against Beijing but with a caveat. Latest Asian, Middle-East, EurAsian, Indian News. https://eurasiantimes.com/philippines-could-become-a-launch-pad-for-us-troops/
- Watson, B. L. (2022, June 1). *China has the power to take Taiwan, but it would cost an extremely bloody price*. CNN. https://edition.cnn.com/2022/05/31/asia/china-taiwan-invasion-scenarios-analysis-intl-hnk-ml/index.html
- Zeeshan, M. (2022, August 16). *China's Taiwan strategy could impact India's economy*. The Diplomat The Diplomat is a current-affairs magazine for the Asia-Pacific, with news and analysis on politics, security, business, technology and life across the region. https://thediplomat.com/2022/08/chinas-taiwan-strategy-could-impact-indias-economy/