AUGUST 2024

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Charles Edel
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Acknowledgments

This report is made possible by support from the U.S. Embassy in Canberra.

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Introduction

China's intensifying military activities in and around the Taiwan Strait, economic coercion tactics against Taiwan, and aggressive rhetoric about compelling reunification have increased anxiety in Taiwan, across the region, and around the world. These actions increase the prospect of a conflict over Taiwan, either a full-scale Chinese invasion or aggression that falls in the "gray zone" below the threshold of military force. Additionally, an annual report by the U.S. intelligence community suggests that Beijing is aiming to have its military prepared for decisive action to absorb Taiwan by 2027.

Around the world, countries are concerned by increasing tensions in the Taiwan Strait, but worries are particularly acute in the Indo-Pacific region. That concern does not always translate into concrete action, however, and countries across the region have different calculations on how best to promote stability in the Taiwan Strait and the degree to which direct engagement on the issue serves their national interest.

In many ways, the United States, Japan, and Australia stand as the anchors of regional stability. And yet, despite the combined power that the three countries bring to the table and the common interests they share in cross-strait stability, the discussion among Washington, Tokyo, and Canberra about preventing and responding to a crisis remains underdeveloped.

As concern about Beijing's military modernization has intensified in recent years—along with China's maritime pressure in the East China Sea—the United States and Japan have deepened dialogue on issues related to China. The reality of Japan's close geographic proximity to Taiwan—a fact brought home by China's military exercises around the island in August 2022, which included

ballistic missile launches that landed in Japan's exclusive economic zone—has prompted the two governments to expand bilateral planning related to a Taiwan contingency. Although still politically sensitive, the openness with which Japanese officials discuss responses to a crisis in the Taiwan Strait today stands in sharp contrast with a decade ago.

Discussions of Taiwan issues in official channels with Australia are more limited. Concern about the threat posed by China to Australia's interests closer to home has driven significant change in Australia's defense posture, to include its commitment to the AUKUS initiatives and a new national defense strategy intended to address the "most challenging strategic environment since the Second World War."[1] Nevertheless, focus in Australia on cross-strait stability, and Australia's potential role in a crisis, remains more limited than in Japan. Given the critical role that both Japan and Australia would play in a crisis—economically, diplomatically, and even militarily—improving trilateral coordination related to Taiwan should be a strategic priority.

To help drive a focused discussion among these three critical allies on preserving cross-strait stability, the CSIS Australia Chair, in partnership with the CSIS Japan Chair, brought together 22 leading American, Japanese, and Australian strategic thinkers for two days of Track 2 discussions in Canberra in March 2024. The result was a rich dialogue on current dynamics in cross-strait affairs; the strategic interests at stake in cross-strait stability for the three allies; and opportunities to deepen cooperation on the economic, diplomatic, and military fronts, with the goal of promoting cross-strait stability. The group engaged in a vigorous debate on how to best respond to increased Chinese gray zone coercion and to reinforce deterrence against a potential Chinese use of force to compel unification.

Several key concepts emerged from the two-day conference. Participants in the three countries broadly agreed that they should deepen direct links with Taiwan, both in government and in civil society, deliberately expanding beyond long-standing constraints on official ties; this engagement should include support for Taiwan's efforts to expand its role in international organizations. Participants also broadly agreed on the need to develop an economic resilience agenda for Taiwan, to limit its vulnerability to Chinese economic coercion by diversifying trade and supply chain links outside of the mainland.

On questions of military deterrence, views were more mixed. Some participants advocated for a focused trilateral discussion on sustaining deterrence in the Taiwan Strait, including a division of labor that maximizes the effectiveness of capabilities each country brings to the table. Some Australian participants noted that the national conversation in this area lagged behind that of others; while certain types of trilateral initiatives might provide a useful mechanism to do more, in some areas individual governments need a more proactive list of ways to engage Taiwan.

As part of the dialogue, CSIS asked each participant to draft a short response to the following question: Given the enormous stakes involved, what more can be done by individual countries and by groupings of like-minded nations to preserve stability in the Taiwan Strait? An expansive question, it was hoped, would generate thoughtful, creative, and novel ideas. This report is the product of those discussions, organized as a compilation of policy recommendations put forward by the individual contributors in the following essays.

U.S. Perspectives

The Potential for Further Chinese Economic Coercion against Taiwan

By James Carouso

Sun Tzu famously said, "In the practical art of war, the best thing of all is to take the enemy's country whole and intact; to shatter and destroy it is not so good. . . . Supreme excellence consists in breaking the enemy's resistance without fighting."[1] Chinese president Xi Jinping might be expected to follow this doctrine to realize his goal of bringing Taiwan under China's control for the following reasons:

- China's practice of using gray zone tactics to achieve its territorial objectives has been largely successful.
- Killing fellow ethnic Han, who compose more than 90 percent of both China's and Taiwan's populations, in a Taiwan conflict would tarnish the achievement of a reunified China.
- Most Chinese soldiers are only children, meaning their parents have no other offspring. Their deaths could have a severe social backlash, especially if the fighting is drawn out and does not go to plan.
- Rebuilding a destroyed country, especially while fighting an insurgency, would be an expensive and morally draining enterprise.
- If China does not use military force, other powers would be reluctant to fire the first shot or intervene militarily.

A likely strategy for Xi to achieve Taiwan's surrender of its sovereignty would be through economic strangulation. Xi could announce that any nation that trades with Taiwan would have its exports to China subject to high tariffs, if not outright bans. Moreover, bilateral China-Taiwan trade could

end (China accounts for about 25 percent of Taiwan's total trade and takes 22.6 percent of Taiwan's exports).[2] In 2010, China cut off exports of rare-earth metals to Japan after a boating collision. Chinese exports of critical minerals could once again be used as a means to coerce third nations into inaction.[3] Harassment of shipping and air traffic could cause associated insurance premiums to reach unsupportable levels, or insurance could become unobtainable if China boycotts shippers and insurance carriers that continue to do business with Taiwan. Chinese air and naval incursions across the Taiwan Strait median line and naval activity to the east of Taiwan seem designed to remind the world that China could quickly end global transport links with the island.

One indicator of China's willingness to apply economic coercion to Taiwan without using kinetic acts or a formal blockade occurred in December 2023, a month before Taiwan's elections, when China suddenly announced that Taiwan had put up trade barriers in contravention of both World Trade Organization rules and its 2010 trade deal. China's Ministry of Commerce added that these barriers have had a "negative impact" on Chinese companies, implying that China was considering retaliation.

The Taiwan government and key private sector companies have recognized Taiwan's economic vulnerability and have taken some actions to mitigate the risks. Tsai Ing-wen, following her election as president in 2016, instituted the New Southbound Policy to promote trade and investment with Indo-Pacific nations, besides China. The value of trade with all of these countries increased from $96 billion in 2016 to $180 billion in 2022, and investment flows rose from $2.4 billion in 2016 to $5.3 billion in 2022.[4] In 2022, Taiwan's investment in these countries combined made up about 35 percent of its total investment abroad, outstripping investment in China for the first time.[5] Nevertheless, China remains Taiwan's largest single trade partner and stock of outward foreign direct investment.

Taiwan has no intention to economically decouple from China, seeking stability in its bilateral relations. But further diversification of trade and investment would be welcome. Like-minded countries could accelerate this process by agreeing to multilateral trade agreements that include Taiwan. The multilateral approach would reduce China's ability to retaliate as well as tie Taiwan more broadly into the ex-China global supply chain. The terms of any such agreement would have to include lowering trade barriers and therefore would go beyond the May 2023 trade agreement between the United States and Taiwan.

In August 2022, just after U.S. House speaker Nancy Pelosi's visit, China suspended imports of more than 2,000 Taiwanese food products. It banned Taiwanese pineapples, beer, grouper, pomelos, and other goods heavily dependent on the Chinese market. While these goods made up less than 2 percent of Taiwan's total trade with China, the political intent was clear, especially as it coincided with increased incursions by People's Liberation Army (PLA) aircraft into Taiwan's airspace.

In response, Taiwan's government launched campaigns such as #FreedomPineapple asking friendly countries like Japan to import more Taiwanese farm products whenever China imposes a new ban. To prevent similar acts of coercion in the future, like-minded countries should go further and agree on a standby arrangement to lift any trade barriers to Taiwanese goods targeted by China. In

addition, they could agree to increase tariffs on Chinese imports to a percentage equivalent to the impact on Taiwan's exports. A trip wire of this sort would put the onus on China not to weaponize trade with Taiwan unless it is willing to also suffer economic consequences.

Finally, like-minded nations should continue efforts to insulate themselves from dependence on China for goods critical to national economic security and defense. Efforts to establish more semiconductor foundries outside of Taiwan are useful in worst-case scenarios, but these new foundries still depend on some inputs from China. For example, China began restricting exports of gallium and germanium in July 2023 (it produces 80 percent of the world's gallium and 60 percent of germanium).[6] Both minerals are essential for production of high-end semiconductors, solar panels, and light-emitting diodes (LEDs).

Moreover, China has historically restricted rare-earth exports, though it accounts for more than 90 percent of global production of rare-earth elements. These necessary components are used in more than 200 products across a wide range of applications, especially high-tech consumer products such as cell phones, hard drives, electric and hybrid vehicles, and flat-screen monitors and televisions. Significant defense applications include electronic displays, guidance systems, lasers, and radar and sonar systems.

While various programs are underway to produce these elements outside of China and stockpile them in the interim, China's manipulation of market prices severely hampers these programs. Like-minded nations need to work together to achieve economies of scale, long-term take-or-pay arrangements with non-Chinese sources, and joint stockpiling agreements to increase security of supply and reduce overall carrying costs.

The bottom line is that China can use economic means to achieve its ends in Taiwan even if it means a hit to China's economy. Taiwan and its friends must work together to identify their economic vulnerabilities to China and coordinate to limit the impact of potential Chinese economic coercion.

The United States, Japan, and Australia Should Bolster Taiwan's Economic Resilience

By Bonnie S. Glaser

China's increasing military threat to Taiwan has prompted the United States and some U.S. allies to sharpen their focus on strengthening deterrence in the Taiwan Strait. Efforts to bolster deterrence include transforming U.S. force posture in the Indo-Pacific to make it more resilient, mobile, distributed, and lethal, as well as helping Taiwan's military acquire and train with weapons to support a porcupine strategy to deter China from blockading or invading the island.[1] The United States and Japan are enhancing Taiwan Strait deterrence through various actions, such as a plan to enable small detachments of marines to deploy to the Nansei island chain and a decision to equip a U.S. Marine Corps regiment in Okinawa with antiship missiles that can target People's Liberation Army Navy ships.[2] Numerous U.S. allies have contributed to deterrence by stating publicly that their countries have a stake in the maintenance of peace and stability across the Taiwan Strait.

Intensified attention by the United States and its allies to shore up military capabilities to defend Taiwan in the event of an attack by the People's Republic of China (PRC) is necessary and welcome, but an effective strategy to maintain cross-strait peace and stability must also include stronger economic support for Taiwan. Although Taiwan's economic development has been relatively stable over the last decade, with growth rates averaging 3.2 percent between 2012 and 2022, the island faces growing risks due to overreliance on the Chinese market and relatively weak connections with the international community.[3]

The good news is that Taiwan's dependence on China has declined in the past few years. Its peak reliance was in 2020, when almost 44 percent of Taiwan's exports went to mainland China

and Hong Kong, while the United States had a 15 percent share. As a result of China's economic slowdown and an increase in U.S. and European demand for semiconductor chips and other information and communications technology (ICT) products, Taiwan's exports to China dropped to 35 percent of the total in 2023, the lowest share in 21 years.[4] Meanwhile, the combined shares of exports to the United States, Europe, and Association of Southeast Asian Nations (ASEAN) countries increased by 7 percent.

The bad news, however, is that Taiwan is still highly vulnerable. China remains the island's largest export market and most important trading partner while at the same time posing an immense and growing threat to Taiwan's security. Beijing is already beginning to ramp up economic coercion as part of its strategy of using gray zone tactics to strangle Taiwan.[5] If Chinese leader Xi Jinping concludes that "possibilities for a peaceful reunification have been completely exhausted," justifying the use of "non-peaceful means" (the language of Article 8 of the PRC's 2005 Anti-Secession Law), it could shut down a substantial portion of Taiwan's trade flows and paralyze key sectors of its economy.[6]

Moreover, intensifying strategic tensions between China and the West, as well as China's stagnating economy, make Taiwan's reliance on China for economic growth no longer viable. Economic diversification is essential to secure sustainable, modest economic growth in the future. Robust economic support for Taiwan's economy must therefore be part of a strategy the United States and its allies pursue to enhance Taiwan's resilience. Concrete steps should be taken to support Taipei's efforts to foster secure supply chains and negotiate agreements that encourage trade diversification. In 2023, Taiwan was the fourth-, seventh-, and ninth-largest trading partner of Japan, Australia, and the United States, respectively. All three countries should prioritize negotiations with Taiwan on economic and trade issues, with the goal of eventually signing bilateral free-trade agreements (BFTAs).

The administration of U.S. president Joe Biden should do its utmost to complete the U.S.-Taiwan Initiative on Twenty-First Century Trade this year. Whoever wins the U.S. presidential election should build on that achievement by launching negotiations to sign a BFTA, which has bipartisan congressional support. Canberra should resume talks with Taiwan aimed at a BFTA, which it suspended in 2017 due to pressure from Beijing and fear of retribution. Japan signed an investment accord with Taiwan in 2011, but its close economic relationship with China as well as Taiwan's ban on food imports from five Japanese prefectures affected by the 2011 Fukushima nuclear accident have inhibited discussion of a BFTA with Taipei. The latter obstacle was removed in February 2022 when Taipei lifted the import restrictions. As a member of the World Trade Organization (WTO) under the name Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu, Taiwan has the right to conclude trade agreements with other WTO members.

A strategy to bolster Taiwan's economic security should also include efforts to expand Taipei's regional economic interactions. Both Taiwan and the PRC have applied for membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Although the trade pact's consensus-based accession process poses hurdles to Taiwan's membership, Tokyo and Canberra should encourage other members to base their positions on approving new members on their readiness and willingness to meet CPTPP criteria. Taiwan's inclusion would enhance economic

security and supply chain resilience in the Indo-Pacific and enable Taiwan to boost exports to CPTPP member countries. Japan has already expressed strong support for Taiwan's application.

Washington, Tokyo, and Canberra could also join forces to respond directly to China's intensifying use of economic coercion against Taiwan. For example, they could offer preferential access to their markets for products targeted by Chinese sanctions and support Taiwanese businesses targeted by Chinese pressure through purchase commitments and export credits. In addition, Japan and Australia could strengthen dialogue with Taiwan, either bilaterally or multilaterally alongside the United States, on digital trade, supply chains, international standards setting, critical infrastructure, and cybersecurity.

Strengthening trade and economic cooperation with Taiwan would still be consistent with the One China policies of the United States, Japan, and Australia. Nevertheless, to reduce PRC concerns, all three allies should explain their intentions to Beijing and reiterate that they will adhere to their respective One China policies and their commitments not to support Taiwan's independence. Increased economic engagement is essential if like-minded democracies hope to strengthen Taiwan's resilience and preserve peace and stability in the Taiwan Strait.

Securing the Economy of the Taiwan Strait

By Erin Murphy

Taiwan's economic security is as important as any military component in a potential Taiwan Strait crisis. Such a conflict would result in mutually assured economic destruction for both China and Taiwan and devastating consequences for the global economy. Economic security in the strait could be strengthened by further engaging Taiwan economically—both through expansion of its semiconductor and high-value electronics industries and involvement in regional trading blocs—and demonstrating to regional partners and key countries in the Association of Southeast Asian Nations (ASEAN) the impact of a strait crisis on their markets. These steps provide more outlets for Taiwan to weather China's coercive tactics, build more resilient supply chains, and offer more leverage for outside actors to convince both China and Taiwan to pursue peaceful measures.

Taiwan occupies an important place in the global economy, especially for economies in the Indo-Pacific region. According to the U.S. International Trade Administration, China is Taiwan's largest trading partner, accounting for 22.6 percent of total trade in 2022, followed by the United States at 13.3 percent, Japan at 9.7 percent, Hong Kong at 7.3 percent, and South Korea at 6.2 percent.[1] In 2016, Taiwan launched its New Southbound Policy to enhance cooperation in the region, which partially contributed to Taiwan's business investments in ASEAN exceeding its investments in China for the first time in 2021.[2] Between January and October 2021, Taiwan invested $5.3 billion in ASEAN, most of it funneled to Singapore, Thailand, and Vietnam, the highest proportion of overall investment in 20 years.

Taiwanese companies manufacture close to 70 percent of the world's semiconductors and approximately 90 percent of the most advanced chips.[3] For example, semiconductors account for a

sizable portion of Taiwan's cumulative $8.9 billion investment in Singapore, led by companies such as United Microelectronics Corporation.[4] In addition, Taiwan plays an outsized role in electronics manufacturing, with its most notable companies, TSMC and Foxconn, providing manufacturing services for leading electronics manufacturers such as, but not limited to, Apple, Dell, Nvidia, and HP.[5] In 2020, Foxconn, a Taiwanese electronics firm, invested $270 million in Vietnam to produce tablets and laptops, expanding its investment by another $80 million in 2021.[6] The company also invested $350 million in its Indian subsidiary for iPhone production. Moreover, Taiwan is the fifth-largest exporter of machine tools, the primary manufacturer for bicycle brands such as Giant, Merida, and Peloton, and a significant textile and apparel manufacturer, producing products and garments for brands such as Adidas, Lululemon, Nike, and Under Armour. Taiwan is also home to hundreds of thousands of migrant workers from Southeast Asia, particularly Indonesia, the Philippines, Thailand, and Vietnam.[7]

The importance of Taiwan's economy to the global supply chain makes the prospect of a conflict in the strait more daunting. A Rhodium Group assessment concluded that a blockade in the strait without international responses or second-order effects could result in a loss of $2 trillion to the global economy.[8] Trade and investments globally would be affected. A full-on military conflict would be even more devastating, ensuring a collapse of the chips industry and disruption of critical supply chains from China and Taiwan. Countries would be forced to choose to side with China or risk coercive measures from it if in noncompliance with China's demands. In addition to the real economic consequences, the lives of 23 million Taiwanese and foreign workers would be at risk.

Stability in the strait may be strengthened by expanding participation in regional trade agreements and frameworks. Economic ties between the United States and Taiwan have strengthened with the advent of bilateral dialogues, development finance collaboration, the 2021 launching of the U.S.-Taiwan Technology Trade and Investment Collaboration supporting cooperation on critical supply chains, and most recently the U.S.-Taiwan Initiative on 21st Century Trade, which was signed into law in August 2023.[9] The initiative is the first major trade agreement approved by Congress and the administration under President Joe Biden that includes specific trade facilitation parameters to support small and medium-sized enterprises (SMEs) in the United States and Taiwan.[10] This agreement could serve as an example of how governments could navigate tricky political waters and find ways to engage Taiwan economically.

This engagement on trade and deeper economic integration could be extended to other multilateral agreements as well, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).[11] Both Taiwan and China have applied for membership to the CPTPP to join countries from Asia, Europe, Latin America, and North America. Although there are serious political considerations regarding Taiwan's membership, CPTPP members should also weigh the consequences of letting in China without Taiwan and the impact on stability in the strait. CPTPP members could also consider a loose affiliation in terms of economic engagement with the Taiwanese economy, particularly on issues such as digital trade and critical supply chains, in which Taiwan has demonstrated experience as a trusted partner and willing participant. Engagement in

the Asia-Pacific Economic Cooperation summit, of which Taiwan is a member, is one model for members to work together to address critical economic issues.[12]

It also behooves regional allies and like-minded partners to work together when it comes to Chinese economic coercion. The risk of coercive measures from China will certainly rise along with tensions in the strait. While Taiwan has borne the brunt of China's threats and coercive tactics, China's measures, including import bans, critical minerals export bans, and other economic threats, have also affected Australia, Japan, the Philippines, and South Korea. Countries can work together to identify potential targets for coercion and strategies to address punitive measures. Further economic engagement among regional partners could help mitigate the harmful effects of coercion, leading to new markets for products banned by China—such as fruit, wine, and seafood—or finding substitute products should China cease exports.

Finally, countries, particularly those in Southeast Asia, must consider how a conflict could affect them. It is not necessarily a question of choosing sides but how their economies and overseas workers would be directly affected. A conflict in the strait would have a direct impact on their economies, especially as China is one of their largest trading partners and engagement would be severely disrupted.[13] ASEAN should consider urging a peaceful resolution or maintaining the status quo to maintain its members' stability and economic growth.

Economic interdependence has not prevented wars in the past, as evidenced more than once in Europe. But it can cause actors to think twice. A conflict between Taiwan and China would not be limited to their borders and would immediately affect the globe. The United States, its partners and allies, and countries in the Indo-Pacific should find ways to ensure economic stability in the strait, which will contribute toward maintaining the peace.

Underscoring the Costs of Aggression and Benefits of Restraint in the Taiwan Strait

By David Shullman

The importance of stability in the Taiwan Strait is widely understood. A Taiwan crisis could lead to catastrophic conflict and a global economic meltdown.[1] With Chinese leader Xi Jinping seemingly more impatient than his predecessors to unify with Taiwan and rapidly developing People's Liberation Army (PLA) capabilities to compel unification by force if necessary, the United States and its allies must enhance deterrence and prevent China from taking more aggressive actions.

Currently, the deterrence debate remains confined to a limited set of options primarily revolving around the use of military force. Given the circumstances, more creativity is needed to devise an extended menu of means to enhance deterrence on both sides of the cost-benefit ledger to affect Xi's decision to use force regarding Taiwan. This means considering actions that may offend both advocates of hard-line positions on China and those who abjure exploiting the insecurities of the Chinese Communist Party (CCP).

First, more must be done to expand the benefits China expects from restraint. CCP leaders define China's claim over Taiwan as central to the legitimacy of regime rule. U.S. diplomatic statements and stepped-up engagement with Taiwan in recent years have eroded Beijing's sense that eventual unification is possible absent the use of force. Washington and its allies must reassure Beijing that, should China refrain from using force, the United States will remain committed to the One China policy, will oppose Taiwan declaring independence, will support resumed cross-strait dialogue, and will not establish a formal defense alliance with Taiwan.[2] If Chinese leaders are convinced that inaction forecloses the possibility of unification, they will not remain invested in restraint.

Genuine commitment to these long-held U.S. positions, frequently communicated privately and publicly to Beijing and U.S. allies in the region, helps expand options for U.S. and allied messaging on the other side of the ledger—the potential costs for Beijing of aggressive moves such as invasion or a military blockade. Options for deterring aggressive Chinese action against Taiwan fall into two broad categories: deterrence by denial and deterrence by punishment. Deterrence-by-denial strategies are designed to deter action by making China's objectives toward Taiwan militarily infeasible. Deterrence-by-punishment strategies involve threats to raise the cost of aggression, even if that aggression is successful. Included in this category is the promise of intolerable military and economic retaliation in response to China's use of force against Taiwan.[3]

Punishment strategies, however, are inherently less reliable than denial strategies, which offer the stark promise of blocking China from achieving its objectives through overwhelming military capabilities. For punishment strategies to work, they must convince China of allied willingness and resolve to impose punishments and follow through on threats after China has initiated aggression and possibly made significant gains. This fact is particularly important at a time when China's risk tolerance is growing and deterrence is eroding.

The key challenge for the United States and its allies, therefore, is cobbling together enough convincing potential punitive actions across domains—primarily the military domain but also the diplomatic and economic domains—to alter the cost-benefit analysis for Xi such that he would reconsider using force against Taiwan. This is particularly challenging given that Xi is already aware of many of the risks and would use force only if it is worth the expected costs of preventing an intolerable outcome—for example, Taiwan declaring independence or a gradual shift in the military balance that renders China unable to compel unification in the future.

The shifting balance of military power in China's favor suggests that additional types of costs are required to enhance deterrence. Some argue that China already understands the potential costs of a Taiwan conflict and therefore nothing can increase the collective deterrent value of potential punishment. But this is incorrect: more can be done to exploit the CCP's deepest insecurities regarding its internal stability.[4]

Deterrence is ultimately a "political proposition," as Stephen Kotkin puts it. Any combination of punitive measures that deters China from aggression against Taiwan succeeds primarily because they prompt fear of economic instability and thus political costs for Xi and the CCP.[5] If deterrence by punishment requires signaling to Xi credible political costs greater than the benefits of an action, then there is value in capitalizing on Xi's worst fears regarding internal threats to the regime's legitimacy.

Xi needs little convincing about the general risks of internal dissatisfaction and regime insecurity—a subject that consumes much of his attention—or the idea that failure to achieve victory in a military invasion of Taiwan could produce these results.[6] Nor does Xi doubt that his enemies would exploit these vulnerabilities. But he has probably given less attention to the massive economic challenges that would result from Chinese aggression against Taiwan and could compound instability.[7] While Xi probably judges that other countries' economic interdependence with China may deter them

from intervening in a Taiwan crisis, it is not clear he views the economic costs to China itself as an additional reason not to initiate conflict.

U.S. or allied messages of concern that Chinese use of force against Taiwan would prompt economic instability in China could heighten Xi's unease along these lines, potentially enhancing deterrence. The goal would not be to threaten Chinese leaders but to convey legitimate concerns about the impact of potential Chinese aggression on both regional and Chinese stability. Beijing would naturally reject any such U.S. message as wrongheaded and unwelcome interference in domestic affairs, but that is beside the point. Consistent messaging could enhance deterrence by indirectly amplifying Xi and other leaders' already potent concerns that the CCP's enemies will exploit internal instability in the event of anything less than total victory.

The challenges and risks of incorporating messaging about internal instability resulting from aggression into a deterrent approach would be significant. First, the United States would need to be clear it has no interest in exacerbating China's instability, which, if extreme, could produce catastrophic results for the Chinese people, the global economy, and U.S.-China relations. This being true in peacetime and during potential conflict, Washington would need to be clear that it would never view Chinese regime destabilization as a war aim. Instead, U.S. messaging would have to underscore concerns that economic crisis and political instability would be a natural consequence of China's initiation of conflict. Washington would also need to clarify these aims with key Indo-Pacific allies, whose partnership is critical to maintaining stability in the strait.

Given these challenges, the United States and others would have to carefully consider how to raise the salience of domestic instability with Chinese interlocutors. A combination of private conversations with Chinese officials and increased nonofficial public messaging on the subject would be a good start. In addition to conversations allied officials should have with their Chinese counterparts about the potential for conflict over Taiwan to spiral and ultimately lead to a broader war, Washington, and possibly allied governments, could also privately communicate growing concern about the impact of a war on China's internal situation. Nongovernment researchers could dedicate more attention to the costs of conflict to China's economy and governance capacity.

Added emphasis on the potential internal costs for destabilizing actions in the strait would, of course, be effective only as part of the array of other measures the United States and its allies must take to enhance deterrence. Further buildup of military capabilities to dissuade China from believing it might achieve a swift and painless victory will remain central. The United States and allies must continue to support Taiwan's defensive "porcupine strategy" and ensure the island can hold out, potentially until U.S. arrival, and China must understand that threats of nuclear use will not dissuade Washington from intervening in a Taiwan crisis.[8] Greater allied coherence on punitive economic and military responses to potential Chinese aggression is also essential. Beijing must be convinced it will face not just U.S. military power but also Japanese and Australian power—an impression that should regularly be underscored through joint military exercises and force posture decisions.

With Beijing's calculus shifting and U.S. regional military dominance no longer tenable, a more robust punitive arsenal of consequences flowing from China's use of force against Taiwan is

required. Washington should be willing both to tolerate the bilateral tension of raising with Chinese interlocutors the internal costs of using force in the Taiwan Strait and to reaffirm long-standing U.S. positions that reassure Beijing that military aggression is unnecessary. Deterrence will be enhanced by guiding Xi toward a course defined by faith in the rewards of restraint and greater concern that aggression may put the CCP's vital interests at risk.

Deterring from Space

Opportunities for U.S.-Japan-Australia Cooperation

By Jennifer Hong Whetsell

During just two weeks in February 2024, 124 aircraft and 74 navy vessels belonging to the People's Liberation Army (PLA) were detected around Taiwan.[1] Of those, 47 crossed the median line, entering Taiwan's air defense identification zone (ADIZ). Through such actions, the Chinese Communist Party (CCP) under General Secretary Xi Jinping is attempting to erode the rule of law and threaten Taiwan's vibrant democracy. To achieve his goal of "reunification," Xi has intensified gray zone activities in the Taiwan Strait and expanded China's military, which now rivals that of the United States in terms of capacity.[2]

Given China's increasing coercion across the Taiwan Strait, Russia's unprovoked war with Ukraine, the potential for the war in Gaza to escalate into a regional conflict, and the deepening relationship between North Korea and Russia, the United States and its allies must explore all avenues to uphold stability in the Indo-Pacific, preventing authoritarian actors from further degrading global peace and stability.

Enhancing Deterrence through Space

The prospect of scientific, economic, and technological opportunities in the space domain has sparked fierce global competition to launch more spacecraft, proliferate more orbits, have more lunar landings, and generally outperform others in this increasingly promising field. Unfortunately, these endeavors are not all peaceful. Space has become increasingly militarized due to the absence of international safeguards and worsening global tensions.

On February 15, the White House confirmed that Russia developed a counter-offensive satellite weapon that can disrupt military and civilian communications and harm other space assets if detonated, leading to severe disruptions in space and on Earth.[3] China is also planning a record 100 orbital launches for 2024.[4] Seventy of these launches will collectively send more than 290 spacecraft into orbit, each potentially carrying payloads of advanced satellites with surveillance and other military and intelligence capabilities. In addition to its continued proliferation of low Earth orbit (LEO) satellites, China launched a classified military satellite into geostationary orbit on February 23, raising alarm among U.S. officials.[5] With recent launches and more on the horizon, China will have persistent visual and radar surveillance over strategically important areas throughout the Indo-Pacific. In this aggressive space race, ensuring national security and resiliency requires the ability to monitor activities on the ground from space; augmented Earth-based intelligence, surveillance, and reconnaissance (ISR) capabilities; and uninterrupted access to communications.

The United States and its allies recognize the importance of the space domain for national security and global stability, as exemplified in recent joint statements. Nonetheless, space cooperation remains nascent. Through collaboration in space, the United States, Japan, and Australia can inhibit the expansionist ambitions of Xi, Russian president Vladimir Putin, and, to an extent, North Korean leader Kim Jong Un while establishing rules and norms for space operations and sustainability.

In order to strengthen cooperation in this critical domain, Washington, Tokyo, and Canberra need to ensure the three capitals are aligned in their goals and objectives for the space domain, and through the strengthened cooperation, enhance deterrence in the Indo-Pacific and stability across the Taiwan Strait.

FULLY LEVERAGE EACH NATION'S STRENGTHS BY SYNERGIZING THEIR SPACE ASSETS

The United States has long been at the forefront of space technology, boasting robust national and commercial infrastructure, extensive experience, and a storied history of successes. It has launched numerous satellites into orbit for both military and civilian purposes. Today, the U.S. government is focused on establishing "mega constellations" for resilient and redundant communications and improving its command and control capabilities by leveraging space assets.

Japan is also a formidable player in the space domain. Recent milestones include its launch of the H3 space rocket and its successful landing of a lunar mission, making it the fifth nation to accomplish this feat.[6] These achievements are particularly noteworthy given Japan's relatively small budget compared to that of other space-faring nations. Furthermore, Japan's involvement in space war games, including the Schriever Wargame and other space-based military exercises, sets it apart as one of the few Asian nations to have engaged in such activities.[7] Japan has been training alongside the United States and other allied partners for more than a decade to achieve interoperability for conflict scenarios.

While Australia does not possess robust military or commercial space assets, compared to the United States and other space-faring nations, its geographic location and vast real estate represent unique strategic assets within the space ecosystem. Australia holds tremendous potential for

becoming an instrumental Southern Hemisphere launch site for its missions and those of its allies.[8] Located near the equator, Australia's northern regions offer a distinct advantage for launching larger payloads into LEO at a more affordable cost. This is due to the Earth's rotation, which allows rockets to harness additional energy, achieve greater launch velocity, and carry larger payloads more efficiently. Additionally, unlike the United States, Japan, and many other space-faring nations, Australia's vast uninhabited land provides an opportunity for establishing inland launch facilities.

The United States' technical know-how and experience, Japan's advanced technological assets and well-trained personnel, and Australia's valuable real estate and increased access to orbital belts can be collectively leveraged to enhance the effectiveness of each nation's respective space assets. Through such synergistic collaboration, the three partners can more effectively counter the ambitions of Beijing and Moscow for space dominance, thereby improving stability both in space and on Earth.

ESTABLISH RULES OF ENGAGEMENT AND PROMOTE SPACE SUSTAINABILITY

Instability in space is exacerbated by congested orbital belts, overcrowded with debris and satellites, as well as a lack of rules and regulations governing the space domain.[9] The United States has promoted norms for responsible operation in space through multilateral and international platforms, both new (e.g., Artemis Accords, antisatellite test bans) and existing (e.g., UN Committee on the Peaceful Uses of Outer Space). It has been successful in aligning with like-minded nations, such as Japan and Australia. However, Beijing and Moscow have sought to counter such efforts by forming their own regional blocs and advancing destabilizing norms in the space domain.[10]

Together with other like-minded nations, the United States, Japan, and Australia can advance more clearly defined rules of engagement for space, establish enforcement mechanisms, and promote space sustainability. The current dearth of norms and rules of engagement implicitly sanctions Beijing and Moscow to continue engaging in dangerous and irresponsible behaviors in space. However, by collaborating to preserve space for responsible use and operations, the United States, Japan, Australia, and other like-minded nations can deter Beijing and Moscow from employing space assets and technologies that threaten peace and stability in the Indo-Pacific region.

Next Steps: Strengthening Deterrence from Space

The United States, Japan, and Australia should expand cooperation in the space domain to strengthen deterrence and uphold stability in the Taiwan Strait and the broader Indo-Pacific by considering the following:

1. Continue to elevate the topic of space and norm setting within bilateral and multilateral dialogues and exercises, shaping the space environment to be operated with peace and sustainability in mind.
2. Pursue specific cooperative efforts in such areas as sharing data, improving space domain awareness, and cross-training military and intelligence personnel. Continue to elevate space domain exercises with each other and invite other like-minded partners to participate.

3. Invest more in domestic space infrastructure, including constructing ISR-capable satellites, developing capabilities that facilitate interoperability, and promoting technological advancements in the commercial space sector.
4. Decrease barriers to cooperation between the three nations by reviewing and amending technology transfer regulations and classification levels in the areas that would benefit from enhanced cooperation.

Cooperation in the space domain is complex because alignment of key factors, such as technical capability and capacity, trust in intent and practice, and sharing of common threat pictures, is crucial to continuity and success. Today, due to differing priorities, the United States, Japan, and Australia share many, but not all, of these factors. However, given the current threats in the Taiwan Strait and in the Indo-Pacific, as well as the advancing capabilities of actors whose motivations are not always clear or good, the three countries cannot afford to delay proactive cooperation in this domain.

Japanese Perspectives

Countering Xi Jinping's Expanding Domestic Governance

By Masuo Chisako

For more than two decades, China has been engaged in a massive, unprecedented military buildup. When discussing the risks surrounding Taiwan, China's neighbors and Western countries tend to focus on China's military threat. Unlike under the presidency of Hu Jintao, however, China's People's Liberation Army (PLA) has shown little sign of involvement in Beijing's foreign policy in recent years. Although Chinese president Xi Jinping has consolidated political control over the PLA, he does not trust it and purged many of its high commanders in 2023. Since the PLA has turned into a "difficult" organ for Xi to use, he is unlikely to invade Taiwan by force in the immediate future. Instead, he might seek "unification" of Taiwan through other means.

Xi's centralization of power has considerably changed the nature of Chinese policymaking. Simply put, the regime is increasingly inclined to deal with international problems in the same manner as it does domestic ones. Xi's decisionmaking team has relied heavily on the staffs that belong to the chain-of-command structure under the Central Political and Legal Affairs Commission in the Chinese Communist Party, such as police and national security agents, to consolidate his supreme power domestically. Now the same team is calling for "centralized and unified leadership" in foreign policy.[1] Xi has emphasized the importance of security, as he believes domestic and foreign threats are working in tandem to overthrow the Chinese communist regime. To prevent such a possibility, the administration tries to "plan for external and domestic security in an integrated manner."[2] Because the Xi administration does not clearly distinguish between the issues inside and outside of China's borders, it has increasingly applied domestic governance methods to deal with external issues.

Based on these conditions, two actions—(1) analyzing China's maritime national program and (2) expanding Taiwan's international role—should be pursued to upgrade cooperation among democracies to deter China from taking aggressive measures against Taiwan.

Analyzing China's Maritime National Program

Analyzing the maritime contents of China's territorial and spatial program, launched in 2021, allows for deeper investigation of China's preparations to expand its effective control over the sea and air surrounding Taiwan. At the same time, it is important to study China's new infrastructure construction and collect data on Chinese maritime behaviors. The latter effort includes the development of new technologies to intercept Chinese satellite systems such as BeiDou and monitor the behaviors of Chinese official and private vessels using signals other than the Automatic Identification System.

In 2021, the starting year of the 14th Five-Year Plan, China launched a national territorial and spatial program that stipulates the usage, development, and conservation of the 3 million square kilometers of water jurisdiction (管轄海域) it claims, making use of its own satellite and digital technology. Since about a half of the water is disputed with neighboring states, this serves as an action plan for China to expand its effective control substantially in the name of domestic governance.[3] The East China Sea, Taiwan Strait, and South China Sea are equally under pressure from Chinese state planning.

In February 2024, China attempted to expand its effective control of Taiwan's Kinmen Island by using a fishing boat incident as an excuse.[4] This follows a similar pattern to a Chinese fishing vessel incident that occurred in Japanese waters near the Senkaku Islands in 2010.[5] The China Coast Guard (CCG), headed by the Central Military Commission since 2018, is responsible for establishing domestic control over claimed territory, whereas the PLA prepares against external threats. As a result, the CCG has been taking new measures to increase pressure on Taiwan in the name of domestic administration, seeking to fulfill established targets related to the national territorial and spatial program.

It is crucial for Taiwan and its liberally minded global counterparts to track those developments and deter China from taking further actions. However, it will be more and more difficult in near future as China is creating new types of infrastructure that can lay a foundation to implement its military-civil fusion strategy. Various satellite constellations centered on BeiDou, including the ones that enable space-based broadband communications, have been combined with the underwater surveillance system in preparation for contingencies when the PLA needs to mobilize private vessels and air/sea drones.[6] Countries need to work together to study China's new program and to increase maritime defense awareness against Beijing by monitoring and countering its new technology. This effort can also improve preparedness against it in the East and South China Seas.

Expanding Taiwan's International Role

China has been engaged in a competition for diplomatic recognition with Taiwan in an attempt to extinguish the island's identity and influence from international fora. Chinese pressure has intensified since Taiwanese president-elect Lai Ching-te's victory in January 2024. Taiwan maintains its international presence in advanced semiconductor production, but this presence should be secured and upgraded amid the hardening international competition between the United States and China.

As stated above, the organizations directed by the Central Political and Legal Affairs Commission have gained political power in China as they have contributed to Xi's growing domestic supremacy in recent years. They include the Ministry of Public Security, Ministry of National Security, and Ministry of Justice. All of those bodies are now directed by Xi Jinping's old and close allies.[7] As China's security pact with the Solomon Islands and its police cooperation with other South Pacific island countries illustrate, such forces have also extended their influence over foreign relations. In simple terms, China's version of the KGB, that performs domestic surveillance and has helped to centralize power in Xi's hands, is transforming China's international approach. It naturally prefers secretive infiltration operations, in both domestic affairs and external relations, such as controlling the internet, diffusing fake news, bribing with money and benefits, and exerting influence through religious, cultural, and academic exchanges.[8] Its activities are conducted using the latest information technology and are likely to consolidate pro-China authoritarian regimes in developing countries. China's recent efforts to form a global partnership network seek to make these governance models and technologies available to developing countries as international public goods.[9] This can accelerate international competition between democracies and autocracies in the future.

In this picture, Taiwan has the best-developed measures to tackle Chinese infiltration efforts due to its abundant experience. Other like-minded countries need to learn from it. If the preventive measures developed in Taiwan can be systematically shared and improved upon among global democracies and offered to developing countries, the spread of Chinese autocracy can be mitigated or prevented. Perhaps establishing a private center in Taiwan that studies anti-infiltration methods and trains relevant personnel from all over the world is a good idea for advancing Taiwan's international presence. To this end, it is also necessary for Western countries to position Taiwan as a bridgehead for securing democracy in the world.

Deterrence in the Taiwan Strait and Australia-Japan-U.S. Trilateral Defense Cooperation

By Mori Satoru

Articulating a Regional Deterrence Architecture

The main strategic objective of China's campaign to use force to unify Taiwan would be to force Taiwan to give up the indefinite continuation of the status quo and agree to eventual unification with a timeline. China's growing nuclear arsenal will generate strong concern over the so-called stability-instability paradox and illuminate the significance of establishing conventional deterrence. The central question regarding conventional deterrence of Chinese armed aggression against Taiwan is whether Taiwan and other parties can credibly demonstrate the necessary will and ability to convince China it has no prospect of succeeding in forced unification with Taiwan. Australia, Japan, and the United States (hereafter "the coalition"), together with Taiwan and other willing and able states, need to send at least three messages to China in credible ways:

1. China cannot win a short, sharp war to unify Taiwan.
2. China cannot prevail in a protracted war over Taiwan.
3. China's arms buildup will be met with multinational balancing and will not deliver military dominance in the region.

The People's Liberation Army (PLA) likely has multiple war plans based on various assumptions. If China assumes unification is possible only by full-scale invasion of Taiwan, achieving the main goal of deterrence and response requires at least three lines of effort: (1) dislodge the invading forces that must cross the Taiwan Strait (deterrence by denial), (2) fend off PLA attacks to destroy coalition forces capable of targeting the invading forces and sustain the war-fighting effort (deterrence by

resilience), and (3) continuously gain advantage in the competition with the opponent (deterrence by cost imposition).

Each of these lines of effort requires various missions and capabilities. Table 1 illustrates missions and capabilities that potentially contribute to these three types of deterrence; some have been extracted from the 2022 U.S. National Defense Strategy. Different countries have different capabilities and are capable of different missions. Ultimately, their decision to use those capabilities and carry out certain missions will be political. However, for the purposes of deterrence, it makes sense to notionally identify typologies of states that will need to implement the missions and employ those capabilities.

Table 1: Missions and Capabilities for Deterrence Roles

	Ideal Types		
Missions and Capabilities	**Tier 1: Frontline States**	**Tier 2: Supporting States**	**Tier 3: Backup States**
DENIAL			
ISR/intelligence sharing	✓	✓	✓
Integrated air and missile defense (satellite link, interceptors, platforms)	✓	✓	—
Submarine and antisubmarine warfare	✓	△	—
Force posture enhancement	✓	✓	—
Strategic transport and logistics	✓	△	—
RESILIENCE			
Critical infrastructure resilience			
Space resilience (diverse and redundant satellite constellations, resilient space communications networks)	✓	✓	✓
Cyber resilience (modern encryption, zero-trust architecture)	△	△	△
Network resilience (military, government, private sector)	✓	✓	✓
Civil defense reinforcement (ports, airports, shelters)	✓	✓	✓

General sustainment and reconstitution capacity	✓	✓	✓
Munition production capacity and interoperability	✓	✓	✓
COST IMPOSITION			
Conventional long-range fires (including to target opponent mainland)	✓	Δ	—
Nuclear warfighting (theater nuclear weapons)	U.S.	—	—
Offensive cyber	Δ	Δ	—
Economic and financial sanctions (export controls)	✓	✓	Δ
Diplomatic Measures	✓	✓	Δ

Δ = Country-dependent or context-dependent

As shown in Table 1, frontline states will need to implement more expansive missions and capabilities (Tier 1), whereas supporting states will focus more on resilience- and denial-related efforts to support frontline states (Tier 2). Backup states will provide functional cooperation (Tier 3) to the frontline and supporting states. These are ideal types of roles for response and deterrence, but the framework permits identifying areas that allow for capability aggregation and require mission coordination.

In the context of Taiwan's security, the Tier 1 role would need to be played primarily by Taiwan and the United States, while the Tier 2 and 3 roles would likely be played by Australia, Japan, and the United States. Japan assuming a larger share of the Tier 2 and 3 roles would have strategic implications for coalitional deterrence, and certain efforts could be facilitated by trilateral cooperation among Australia, Japan, and the United States.

The following sections (1) examine how Japan can contribute to credible deterrence messaging and (2) propose ways the coalition can cooperate to reinforce those messages.

Deterring a Short, Sharp War: Strengthening the Coalition's Ability to Dislodge the PLA Invasion Force

In 2022, the Japanese government decided to fundamentally bolster Japan's defense capabilities. The effort will enable it to carry out limited offensive operations and consequently allow the United

States to focus more on the defense of Taiwan and the role of defeating PLA invasion forces. Japan's decision to fundamentally bolster its defense consists of strengthening seven kinds of capabilities: (1) standoff capabilities, (2) integrated air and missile defense, (3) uncrewed systems, (4) cross-domain operation (mainly space, cyberspace, and electromagnetic) capabilities, (5) command and control and intelligence, (6) logistics and civil defense, and (7) sustainment and resilience.

Traditionally, Japan's defense strategy has involved offensive operations by U.S. forces and defensive operations by Japan (the "American spear" and the "Japanese shield"). However, Japan's new capabilities, such as counterstrike and active cyber defense, go beyond traditional defensive operations. If realized, these capabilities will enable Japan to assume certain offensive operations, as Japan eventually needs to assume defensive and offensive military operations to defend its territory. This, in turn, will free up U.S. forces previously devoted to the defense of Japan and allow them to concentrate more on the defense of Taiwan. In essence, the division of labor between Japan and the United States will evolve from function based (using the spear and shield to defend Japan) to theater based (Japan defending itself and the United States defending Taiwan). In other words, Japan's defense capability buildup will allow Japan to assume a larger portion of the Tier 2 role and thereby enable the United States to focus more on the Tier 1 role and enhance overall deterrence vis-à-vis China.

Japan should accelerate acquisition of the following capabilities required to fulfill the Tier 2 role: (1) intelligence, surveillance, and reconnaissance (ISR) platforms in various domains, (2) missiles and platforms capable of long-range precision strikes against PLA Navy ships and PLA Air Force aircraft, (3) missiles and platforms capable of neutralizing the PLA's ability to wage missile salvo attacks against Japan Self-Defense Forces (JSDF) and U.S. Forces Japan (USFJ) bases, and (4) a close command and control architecture that will enable effective counterstrike operations.

Japan's weapons systems and munitions should be interoperable with the United States, Australia, and preferably Taiwan to facilitate wartime sustainment and replenishment. Joint capability development of certain weapons systems such as hypersonic and counter-hypersonic weapons and uncrewed undersea vehicles (UUVs) should be pursued based on common standards to maximize interoperability. Technocratic arguments against Japan joining the second pillar of AUKUS, the trilateral security partnership between Australia, the United Kingdom, and the United States, deserve attention, but Japan's participation in certain pillar two programs to maximize interoperability makes sense from a strategic point of view. Japan's information security issues should be cleared as soon as possible to facilitate multipronged efforts to advance joint capability development with the United States and Australia.

Enduring in a Protracted War: Enhancing Resilience and Sustainment Capacity

Japan's strategic goal in any effort to defend Taiwan is to maintain the capability and the resolve to keep up the fight if deterrence fails. In other words, Japan must have the resilience and endurance

required for a protracted conflict. Japan must push forward full steam ahead on national efforts to harden JSDF bases and facilities and rapidly build up gaps in civil defense architecture.

Building resilient networks for the JSDF and the Japanese government's digital systems and critical infrastructure will prove decisive in enduring any conflict involving China. In the event of a crisis or contingency over Taiwan, sophisticated Chinese cyberattacks taking various forms will likely overwhelm Japan's cyber defense capacity—a major vulnerability in the coalition. Japan needs to rapidly build up its capability for cyber defense both through a robust cyber unit development program and enhanced joint exercises and training with the United States and Australia.

During crises, China would very likely conduct information operations to dissuade the Japanese public from supporting U.S. operations to defend Taiwan. China would likely generate a war scare among the Japanese public to break Japanese public resolve; it would also attempt to deepen divisions in Japanese public opinion over the issue of whether and how Japan should get involved in a Taiwan contingency. Australia, Japan, and the United States should advance information sharing about the pattern of Chinese and foreign disinformation, and cooperation in the counter-disinformation realm should also be pursued.

Another area for cooperation is reinforcement of munition production capacity. There should be a major international effort among the United States and its allies—including Australia and Japan—to expand munitions production capacity. To create an environment that encourages further investment by defense companies in production capacity, the governments of Australia, Japan, and the United States should consult on possible demands over the next 5 to 10 years to communicate prospects for munitions procurement to the defense industries of the three countries. Coproduction of certain missiles should move forward without delay.

Persistent and Sustainable Balancing: Demonstrating Unity of Effort

Australia, Japan, and the United States should send a signal to China that its arms buildup will be met with multinational balancing. The three countries should coordinate various lines of effort to increase deterrence through joint capability development and mutual reinforcement of resilience and sustainment. Unity of effort among Australia, Japan, and the United States should be demonstrated through joint declarations in appropriate forms. One possible format would be a biannual trilateral foreign and defense ministers' meeting, or a "2+2+2" meeting. The Australia-U.S. Ministerial Consultations (AUSMIN) and Japan-U.S. 2+2 meeting could be held back to back, and the trilateral could be held in between. The process of issuing a joint declaration would compel defense and foreign ministries to coordinate various programs and explore new initiatives aimed at strengthening deterrence.

Failing to build credible conventional deterrence in the Indo-Pacific will compel Australia, Japan, and the United States to depend more on U.S. theater nuclear forces. Consequently, if deterrence fails, the coalition will likely face a stark choice between submission and U.S. nuclear escalation. To

maintain strategic options and avoid such an eventuality, conventional deterrence and response must be strengthened and made more credible in a short period.

Restoring Balance in the Taiwan Strait

By Teraoka Ayumi

Actions Short of Violating One China Policies

The "status quo" in the Taiwan Strait—broadly defined as Taiwan's continued de facto independence from mainland China—is increasingly under challenge. Although Beijing likely prefers a peaceful resolution to a costly war in achieving the "reunification" of Taiwan, it is engaging in nonpeaceful measures short of war to coerce the people in Taiwan to accept Beijing's political demands. Despite Taiwanese president Tsai Ing-wen's signals that her government would not seek de jure independence, Beijing closed off dialogues with Taipei by imposing the politically untenable precondition of endorsing the 1992 consensus and working to isolate her government.[1] Now, with the inauguration of President Lai Ching-te in May, whom Beijing regards as an even more pro-independent and worse counterpart than Tsai, pathways for the two sides to resume constructive dialogue remain unclear.

Because facts on the ground composing the status quo are far from static, Canberra, Tokyo, and Washington should strengthen ties with Taipei through all measures short of violating or changing their respective One China policies.[2] One primary objective of such efforts is to prevent Beijing from challenging the status quo even further, including through a full-scale military invasion of Taiwan. Another is to restore Taiwan to a state where the government can engage in positive dialogue with Beijing without feeling pressured to concede excessively.

Recognizing the Value of High-Level Visits

In recent years, Taiwan has become an increasingly popular destination for bipartisan delegations of lawmakers from Australia, Japan, and the United States, among others. Japanese parliamentary delegations to Taipei, often led by the Japan-Republic of China Diet Members' Consultative Council, have been expanding in size; one comprised the first foreign visitors to congratulate Lai on his victory in the presidential election.[3] In May, more than thirty Japanese lawmakers attended his inauguration ceremony.[4] Since the summer of 2021, the consultative council has held strategic dialogues with legislative representatives from Taiwan and the United States under an initiative led by former Japanese prime minister Abe Shinzo and U.S. senator Bill Hagerty. Twice in 2023, the ruling parties in Japan and Taiwan—the Liberal Democratic Party (LDP) and the Democratic Progressive Party—convened 2+2 meetings involving senior parliamentarians well versed in security and diplomatic issues. High-ranking members of the LDP, such as vice president, Taro Aso, and the then chair of the LDP Policy Research Council, Koichi Hagiuda, visited Taiwan last year.[5] These activities will likely continue regardless of the current domestic political instability in Tokyo.[6]

Japan's subnational actors are also following this trend. Tokyo Metropolitan governor Yuriko Koike visited Taipei in early February to meet with President Tsai, Vice President and President-Elect Lai, and Taipei mayor Chiang Wan-an, who all agreed to enhance cooperation between the two cities.[7] During a meeting with Taiwan's minister of digital affairs, Audrey Tang, Koike also expressed interest in bolstering cooperation with Taiwan for Tokyo's digital transformation. The Tokyo Metropolitan Government has the tradition of including Taipei in its para-diplomatic outreach, such as the Asian Network of Major Cities 21.[8] As Japan aims to strengthen its informational resilience against cyberattacks and mis-and disinformation operations, including in times of contingencies, its local governments might offer avenues for further cooperation with Taiwan.

The significance of forging and maintaining durable and broad public support for Taiwan in these democratic societies cannot be overstated. In its absence, no costly action in support of Taiwan, whether in peacetime or during contingencies, would be possible for these governments. High-level visits, serving as signs of expanding bipartisan political support for Taiwan, are important in this context and provide moral support for the Taiwanese people.

Tangible Steps to Enhance Taiwan's Resilience

Nevertheless, these visits remain at the level of cheap talk, failing to produce measures to help Taiwan materially or credibly signal to Beijing the resolve of the United States and its partners to defend the status quo around Taiwan. Australia, Japan, and the United States should work to translate their ever-expanding yet relatively low-cost domestic political support for Taiwan into tangible steps toward enhancing Taiwan's resilience in all dimensions of statecraft, including diplomacy, information, the military, and the economy. Examples include supporting Taiwan's entry into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and conducting joint training and intelligence sharing with parts of the Taiwanese government in both traditional and nontraditional areas of security, including space, cyberspace, and economic security.

The question, then, is how to realize this shift, since these steps are considered "costly" precisely because they may incite Beijing's backlash. Two considerations are critical. The first is coordinated strategic communication among Canberra, Tokyo, and Washington to frame any enhanced ties with Taipei as efforts to offset Beijing's increasingly aggressive postures in the Taiwan Strait. Beijing must receive consistent messages that draw a clear linkage between its behavior and signals of international support for Taiwan. Accordingly, if Beijing credibly softens its position, then these activities must be either curtailed or compensated through other accommodating measures offered to Beijing. Questions about reversibility or offset options must also be considered for various measures of cooperation with Taiwan in case of Beijing's acquiescence.

Second, Australia and Japan, as former victims of China's economic sanctions, should lead efforts—with support from the United States—to build multilateral economic resilience. In anticipation of China's responses to these countries' closer ties with Taiwan, they should craft joint countermeasures, such as diversification strategies away from the Chinese market. Taking these steps and publicizing them widely will reduce the psychological impact of possible Chinese economic coercion.

Coordinated strategic messaging among Australia, Japan, and the United States must show (1) that enhanced measures with Taiwan are tied to China's changing grounds in the Taiwan Strait and (2) that these governments have already thought through countermeasures for China's economic coercion with great care and coordination. Such messaging will help policymakers navigate domestic politics and garner broader support from other like-minded major powers.

This approach is necessary for pushing forward more sensitive areas of security cooperation with Taiwan but will also be important in the areas of boosting Taiwan's diplomatic and economic resilience through multilateral forums, especially where the United States is absent. For instance, the CPTPP—which was saved by Japan's leadership after U.S. withdrawal from its original form, the Trans-Pacific Partnership (TPP)—remains one of the most strategic and advanced multilateral trade agreements to enhance the rules-based economic order in the Asia Pacific. To preserve the legitimacy of this new economic institution, Japan, with the help of Australia, Canada, and the United Kingdom, should seriously review China's and Taiwan's bids for entry. CPTPP membership does not require statehood, and CPTPP members should act collectively to support Taiwan's entry based on their fair review of candidate's readiness and willingness to play by the rules. In this process, CPTPP members open to Taiwan's entry should also consider establishing a new, smaller multilateral trade framework among themselves as an interim step. Continuous encouragement of U.S. reentry to the CPTPP should also not be forgotten.

Translating growing political support for Taiwan into tangible measures despite risk of Chinese retaliations is a signal of regional stakeholders' resolve to preserve the status quo, the peace and stability in the region, and the rules-based international order. These signals of support should also help the new Lai government navigate its contested domestic political environment and any new opportunities for dialogues with Beijing. Of course, Canberra, Tokyo, and Washington should also coordinate closely with Taipei to maintain shared strategic aims toward Beijing throughout this process.

To Build a Bridge over a Troubled Strait

By Tokuchi Hideshi

East Asia, positioned at the forefront of the great power rivalry, is a tinderbox with three nuclear authoritarian states and several flash points, including the Taiwan Strait. Because the region lacks an overarching security framework, a cluster of U.S. bilateral alliances works as the stabilizer. The hub-and-spokes alliance system is becoming more networked than ever but is still not fully integrated. For example, the Japan–South Korea relationship is rapidly improving but remains fragile. The Philippines seems to have made a strategic choice to be tougher on China, but it is uncertain how long this will hold due to the unwillingness of the Association of Southeast Asian Nations (ASEAN) to make a binary choice between the great powers. Finally, Taiwan, one of the leading regional partners of the United States, is not officially included in the U.S. bilateral alliance network.

Recent Developments in East Asian International Relations

GROWING PARTNERSHIPS

Several new security initiatives in the region include the Quad, a strategic dialogue and cooperation between Australia, India, Japan, and the United States, and AUKUS, a strategic security partnership between Australia, the United Kingdom, and the United States. The Quad is evolving to engage with other partners, such as France, while AUKUS also has potential to evolve, as AUKUS partners are "considering cooperation with Japan on AUKUS Pillar II advanced capability projects."[1]

Australia and Japan renewed their Joint Declaration on Security Cooperation in October 2022, which states, "We will consult each other on contingencies that may affect our sovereignty and regional security interests, and consider measures in response."[2] In May 2023, Japan and the United Kingdom committed themselves "to consult each other on important regional and global security issues and consider measures in response" by issuing the Hiroshima Accord.[3] The partnership between Japan, South Korea, and the United States has new momentum, according to "The Spirit of Camp David" joint statement of August 2023, which announced the three countries' "commitment to consult with each other in an expeditious manner to coordinate our responses to regional challenges, provocations, and threats that affect our collective interests and security."[4] This commitment does not necessarily mean joint contingency planning or military action, but their operational cooperation to address common challenges, presumably including Taiwan contingencies, likely will be enhanced.

These partners are cooperating more closely than ever, sharing a vision for a free and open Indo-Pacific (FOIP). Moreover, the vision is evolving, as with Japan's New Plan for a "Free and Open Indo-Pacific," launched by Prime Minister Kishida Fumio in March 2023.[5]

GROWING ATTENTION TO THE TAIWAN STRAIT

Taiwan will remain a focal point of East Asian security because China has the ultimate goal of unification of Taiwan. For China, the Taiwan issue is at the core of its interests. In November 2023, Chinese president Xi Jinping told U.S. president Joe Biden that the Taiwan question remains the most important and most sensitive issue in China-U.S. relations. He also reiterated that China will realize unification and that it is unstoppable. Moreover, China has never denied the prospect of forceful unification. A People's Liberation Army (PLA) officer said that unification is more precious than peace.[6]

Taiwan is increasingly important for industrial democracies in the region and the world, though their national interests related to Taiwan may differ. As far as Japan is concerned, Taiwan's importance is obvious due to its geographical proximity, shared threat perception on China, trade and economic partnerships, and shared fundamental political principles and values. Since the Japan-U.S. joint statement of April 2021, several diplomatic statements have reiterated "the importance of peace and stability across the Taiwan Strait," including the Australia-Japan Leaders' Meeting Joint Statement of October 2022, the Japan-NATO joint statement of January 2023, the G7 Hiroshima Leaders' Communiqué of May 2023, and "The Spirit of Camp David" in August 2023.[7] The Japanese prime minister's expression that the "Ukraine of today may be [the] East Asia of tomorrow" may allude to Taiwan.[8]

PRESIDENTIAL ELECTION OF TAIWAN

In Taiwan's 2024 presidential election, citizens chose the diplomatic path to strengthen their defense, maintain autonomy, and enhance partnerships with other democracies, including Japan and the United States. Taiwan has proved once again to be a mature democracy. As Rory Medcalf argues, "Taiwan is a democratic model in the Chinese-speaking world. It disproves the nonsense that only Western people cherish a free society."[9] This fact—as well as Taiwan's continuous pursuit of

autonomy, stronger defense posture, and international partnerships to be more resistant to China's pressure—will make China tougher on Taiwan.

Policy Proposals

U.S. ENGAGEMENT

Continuous U.S. engagement in the region, buttressed by robust U.S. military presence, is a must to prevent China's miscalculation. As an alliance requires mutual cooperation, allies must take the lead and help the United States remain engaged in the region. It is particularly important today as the United States remains divided and seems more inward looking. Regional allies, particularly Japan, must provide a more dependable stationing environment for U.S. forces to operate effectively and promptly.

CONNECTING SMALL NETWORKS

The U.S.-centered alliance network, the Quad, AUKUS, and Japan-Europe partnerships should align with each other to generate synergy for deterrence, remaining vigilant over the Taiwan Strait. The Quad leaders' joint statements lack reference to the Taiwan issue. It is important to work with India to ensure that all four Quad partners share recognition of Taiwan as India's voice grows in the world.

TRANSFORMING SHARED RECOGNITION OF TAIWAN INTO COOPERATION

U.S. commitment to Taiwan remains ambiguous. Most countries' cooperation with Taiwan is limited to a nongovernmental or unofficial basis. Provocation of China will not be in their interests. However, it is in their interests to send a clear message to deter China. Western democracies should not be complacent in their shared recognition of the importance of maintaining peace and stability across the Taiwan Strait. It is more important to transform this recognition into actual cooperation.

EXPANDING INTERNATIONAL BREATHING SPACE FOR TAIWAN

As Taiwan's international breathing space narrows, the United States and other democracies, including Japan and Australia, should cooperate to prevent Taiwan from being suffocated. First, Taiwan should not be excluded from international organizations tackling global issues such as the World Health Assembly and the International Civil Aviation Organization. Taiwan's contribution to those issues is indispensable.

Second, the Global Cooperation and Training Framework (GCTF) should be utilized more for security purposes. The GCTF is a platform for Taiwan to share its expertise with partners around the world but should be used to help Taiwan enhance its capabilities as well. Several security-related issues, such as network security, media literacy, and humanitarian rescue, are already on the agenda. Nevertheless, the GCTF's scope should be expanded, and more officials and experts should participate in security cooperation with Taiwan.

Third, the nongovernmental basis for Japan's relationship with Taiwan should be more flexible. Japan should learn from the practices of unofficial U.S. and Australian engagement with Taiwan and explore the possibility of expanding security partnerships—for example, in the category of

people-to-people contacts. As part of this approach, intelligence cooperation using the PAVE Phased Array Warning System (PAWS) should be explored to address the proliferation of ballistic missiles in the region. Also, taking the opportunity to establish a permanent joint headquarters under the defense minister, Japan should craft a mechanism for effective policy and operational coordination with international partners, including Taiwan, as Taiwan contingencies will directly affect Japan's national security. Japan should expand security-related intellectual exchange by inviting Taiwanese private researchers as visiting scholars in its in-house security think tanks to closely exchange expertise with Taiwan.

PUBLIC EDUCATION ON TAIWAN

As the Taiwan Strait becomes more unstable and the risk grows, efforts for deterrence are urgently needed. The sense of urgency for deterrence must be shared with the general public so that international partnerships work most effectively. For this purpose, public education on Taiwan—including its geography, history, politics, and economy, as well as the delicate international relations involving Taiwan—must be promoted in the domestic societies of the United States and other democracies, including Japan and Australia. The intellectual communities of those democracies should cooperate in this effort.

Will the United States Send Troops to Taiwan?

Lessons from Ukraine

By Tsuruoka Michito

Some of the most important questions regarding a possible military contingency over Taiwan are whether, to what extent, and in what way the United States would be directly involved in military terms. Put simply, will Washington send its troops to Taiwan? With some exceptions, successive U.S. governments have maintained what is called "strategic ambiguity" regarding the U.S. response to a Taiwan contingency.[1] The case of the war in Ukraine, including Washington's response, provides a good starting point in exploring the question of U.S. involvement.

President Joe Biden, from the beginning, ruled out the possibility of sending U.S. troops to Ukraine to fight against Russia.[2] Despite an unprecedented level of weapons and intelligence assistance to Kyiv, the Biden administration has kept that promise. There are three possible explanations as to why Washington does not send troops to Ukraine: (1) Ukraine is not a NATO member, and the United States does not have an obligation to defend Kyiv; (2) Ukraine is not important enough to U.S. strategic interests; and (3) Russia has nuclear weapons, and the United States does not want to risk a nuclear exchange with Moscow.

On the first point, if the United States is not sending troops to Ukraine because Ukraine is not part of NATO and the United States has no obligation to help Kyiv, then Taiwan could be seen as in a slightly better position, in legal terms, than Ukraine. Although the United States does not have a treaty obligation to defend Ukraine, Ukraine has the Budapest Memorandum, which it concluded in 1994 with the United States, Russia, and the United Kingdom when Kyiv agreed to give up all of the nuclear weapons left on Ukrainian soil after the collapse of the Soviet Union.[3] The document gives Ukraine "security assurances," as the three countries committed to respecting Ukraine's

independence and territorial integrity and reaffirmed their "obligation to refrain from the threat or use of force" against Ukraine. However, though the memorandum is an international agreement registered with the United Nations, it failed to be of any use during Russia's invasion in 2014 when it illegally and unilaterally annexed Crimea and intervened in the Donbas region—or during Russia's full-scale invasion of Ukraine since 2022.

Meanwhile, the United States has domestic legislation, not a security treaty, regarding its relationship with Taiwan. The Taiwan Relations Act calls "any effort to determine the future of Taiwan by other than peaceful means a "grave concern" to the United States.[4] The act also states it is U.S. policy to maintain the capacity to "resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system, of the people of Taiwan."[5] In terms of legal power, it is not easy to compare the Budapest Memorandum and the Taiwan Relations Act due to their different statuses. Yet, arguably, domestic U.S. legislation has more power to be implemented, as it has an enforcement mechanism, whereas the international community lacks such a mechanism, as has been amply demonstrated. Taiwan, therefore, seems to be in a slightly more advantageous position than Ukraine when it comes to the legal dimension of U.S. commitments.

Second, assuming Ukraine is not important enough for the United States to send troops, can Taiwan make a case that it is more important and worthy of troops? It must be noted that neither the United States nor any other country requires prior treaty commitment to exercise the right of collective self-defense, as it is enshrined in the United Nations Charter as an "inherent right" of all states.[6] Therefore, if the United States were to determine that sending troops to Ukraine is imperative to its own interests, it could do so as a right rather than as an obligation. The United States has exercised the right of collective self-defense without treaty obligations on such occasions as the liberation of Kuwait or the counter–Islamic State global coalition strikes in Iraq and Syria. It is therefore inaccurate to say that the United States is not able to defend Ukraine because it does not have a security treaty with the country. Washington, if unbeknownst to many Americans, made its decision not to send troops there.

As for Taiwan, its significant semiconductor industry is often mentioned as a reason why defending the island democracy is a strategic imperative for the United States. Yet it cannot be the deciding factor for sending troops there; it would be inconceivable for a U.S. president to send troops to Taiwan to protect semiconductor factories. Arguments related to U.S.-China strategic competition and the international order, by contrast, are more persuasive. The fall of Taiwan would be a huge blow to the U.S.-led international order in the Indo-Pacific region and strategic competition between the United States and China. Given how the 2022 U.S. National Security Strategy describes China as the "only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it," addressing China is, arguably, more strategically important than countering Russia.[7] Taiwan is on the front line of U.S.-China strategic competition, and the stakes seem higher.

Third, if the real reason that the United States does not send troops to Ukraine is Russia's nuclear weapons and the risk of nuclear escalation, can Taiwan and others in the region, including Japan, be certain that the United States is prepared and willing to address China's nuclear weapons? This is an

inconvenient and unsettling proposition. On one hand, it may be argued that a line must be drawn between treaty allies such as Japan and partners such as Taiwan. President Biden has repeatedly emphasized U.S. commitment to defend "every inch" of NATO territory.[8] Similarly, the United States has reiterated its nuclear commitment to Japan on numerous occasions.[9] On the other hand, the need to avoid a third world war or nuclear Armageddon, something Biden has often referred to, has caused concerns among U.S. allies.[10] While they agree that a nuclear exchange between nuclear powers must be avoided, for nuclear deterrence to work, nations must be prepared to escalate the situation by demonstrating their resolve to employ nuclear weapons when necessary. Avoiding nuclear escalation at any cost is not a position consistent with the logic of nuclear deterrence.

In light of the three plausible explanations as to why the United States does not send troops to Ukraine, Taiwan could well make the case that it is in a better position than Ukraine. Nonetheless, the proposition that Russia has nuclear weapons and therefore that Washington needs to be extremely cautious is worrisome. It is in the United States' interest to dispel such concerns among allies in both Europe and the Indo-Pacific. The challenge of countering nuclear-armed adversaries intending to change the status quo by force is hardly new. Yet there is added urgency in tackling this challenge in the wake of Russia's full-scale invasion of Ukraine and in view of a possible Taiwan contingency vis-à-vis China.

Strengthening Deterrence in the Taiwan Strait

The Roles of Australia, Japan, and the United States

By Yamamoto Katsuya

Taiwan's elections have ended peacefully, proving once again to the international community that mature democracy has taken root in Taiwan's civil society. However, China has trumpeted the failure of Taiwan president-elect William Lai to win a majority of votes and the failure of the Democratic Progressive Party (DPP) to retain its majority status in the legislature as evidence to the Chinese people that Taiwanese citizens do not widely support the DPP. This is because an authoritarian regime such as the People's Republic of China would never allow a robust democracy that could elect a head of state and a majority in the legislature from different parties. However, the fact that the Taiwanese president did not win a majority and the fact that the ruling party did not win the majority in the legislature are not strange situations in a democratic society with the separation of powers. It is also evidence that Taiwan's civil society has a good sense of balance.

The election also makes it clear once again that none of the forces in Taiwan want unification with mainland China. The DPP, the Taiwan People's Party (TPP), and the Kuomintang (KMT) all campaigned to maintain the status quo. Of course, many Taiwanese citizens, including DPP supporters, have made it clear that they oppose unification as well as independence. When former president Ma Ying-jeou of the KMT said in an interview with German media just before the election that Xi Jinping should be trusted, even the KMT immediately denied it. The majority of the international community also expects Taiwan to maintain the status quo, and President Xi Jinping's China is the only country in the international community today that strongly advocates for the unification of Taiwan and China. In recent years, Xi Jinping considers even those who support the status quo group to be one of the anti-unification section. As he enters his third term in power, President Xi Jinping will become increasingly active in maneuvering for Taiwanese unification.

In this situation, Japan, which is adjacent to Taiwan, is the country most affected by developments in the Taiwan Strait and the country most in need of maintaining the status quo. Thus, Japan has two roles to play. The first is to make efforts to maintain the status quo, and the second is to be prepared in case these efforts are not successful and deterrence fails.

Japan's Efforts to Maintain the Status Quo and Deter in the Taiwan Strait and Western Pacific

First, Japan must strengthen its defense capabilities, which will give more latitude to the activities of U.S. military forces in the Indo-Pacific. It will also give more leeway to U.S. military forces assigned to the vicinity of the Taiwan Strait. In light of recent China-Russia coordination, a conflict in the Taiwan Strait could naturally induce Russia's activities in Europe. Japan's strengthening of its defense capabilities will help alleviate European concerns about the Indo-Pacific region. The ability of Europe and Japan to adequately defend themselves in their respective war zones is an important factor in ensuring the Indo-Pacific and Euro-Atlantic regions maintain peace and stability in the international community. Unlike warfare in Europe, all warfare in the Indo-Pacific—whether fighting, evacuation of noncombatants, or trade involving neutral parties—takes place at sea. Thus, the maritime scene in a contingency will be complex.

Second, one of the most feasible scenarios for China's invasion of Taiwan is an economic blockade. The international community, including Japan, should recognize China's blockade of Taiwan as an act of war. The region where China, Japan, South Korea, and Taiwan are located occupies a pivotal position in the world economy. An economic blockade of Taiwan and the sinking of even one merchant vessel would send shipping insurance rates in the Western Pacific skyrocketing and paralyze maritime trade. The Japanese yen and Chinese yuan would plummet; the Tokyo, Shanghai, and Hong Kong stock markets would halt trading; and the international economy would quickly suffer. Vessels engaged in maritime trade are operated by various interests of different nationalities, including ship registries, ship owners, operators, and shipping companies. The Taiwan-related vessels subject to the blockade are also Japan- and Australia-related vessels. Japan needs to make sure President Xi understands that an economic blockade is an act of war against the international community.

The third is to enhance information sharing among the first island chain. From Japan to Taiwan to the Philippines to Australia, the like-minded partners comprising the archipelago should share a common operational picture (COP) of the region. China's gray zone and hybrid operations and activities are spread throughout all domains, not just the oceans and cannot be addressed in any one instance alone. In response to China's activities to attempt to change the status quo, the countries of the first island chain need to share and visualize their COPs and repeatedly appeal to the international community. Japan must emphasize the urgency of these efforts.

Brainstorming: Preparing for Deterrence Failure

The current international order must be firmly prepared for a new world order after deterrence fails. Even if the Russian invasion of Ukraine ends in Putin's defeat, a Russia that has regained its strength is bound to turn on Ukraine and the Baltic states again. Thus, after the war in Ukraine, NATO will have to become an even stronger defense alliance against Russia. Similarly, even if China's invasion of Taiwan fails at least once, China could turn on Taiwan again. Xi Jinping has repeatedly included Taiwan in his concept of national rejuvenation and the "China dream."[1] In the meantime, the democratic societies of the first island chain must work together to frustrate China's intention to invade again. The U.S.-Japan alliance and Japan's role in this new partnership must grow. Brainstorming for this purpose will also be a strong deterrent.

Countering China's attempts to change the status quo means countering a big nuclear weapons state. It is said that Xi wants to be the Mao Zedong of the twenty-first century, and it would be a nightmare for all if Xi were to follow Mao's perception regarding the use of nuclear weapons. It is time for Japanese society to seriously debate the effectiveness of the U.S. nuclear umbrella.

Australian Perspectives

Taiwan Tightrope

Australia Needs to Balance the Economic Security Benefits with Strategic Risk in Its Relationship with Taiwan

By Hayley Channer

With China's rise and stated intention to bring Taiwan back under its control, a major conflict in the Indo-Pacific could break out. Australia has multiple stakes in Taiwan's future, not least the potential for Australia's closest partners, the United States and Japan, to be drawn into a conflict with wider destabilizing effects. However, in the context of the Chinese Communist Party (CCP)'s increasing gray zone coercion of Taiwan using methods short of war, the policy question of how Australia pursues its relationship with Taiwan and cooperates with the United States and Japan in building Taiwan's resilience is complicated.[1] There is scope for Australia and Taiwan to elevate their bilateral trade and diversify renewable energy supply chains, thereby increasing Taipei's resilience and signaling some resolve to withstand CCP pressure. But there are also strategic risks that must be considered and balanced against the opportunities.

China's Dominant Trade Position with Australia Dissuades Canberra from Deepening Economic Ties with Taipei

Taiwan is by no means an inconsequential trade partner for Australia, but it pales in comparison to Australia's relationship with China. China is Australia's largest export market, accounting for 35 percent of exports in 2020.[2] In contrast, Taiwan represents Australia's sixth-largest export market.[3] There is also a large gap between China and all of Australia's other trade partners. In 2023, China accounted for 26.8 percent of Australia's two-way trade, and the next-largest partner was Japan with 9.9 percent. Taiwan accounted for only 2.7 percent.[4]

Despite the large gap between China and Taiwan in Australia's trade relations, it is common for Australia to have a free trade agreement (FTA) with its major trading partners, which would typically include Taiwan. Australia has FTAs or economic cooperation agreements with China, the United States, Japan, South Korea, Singapore, and India.[5] Taiwan has been lobbying Australia for a more formal economic partnership partly because such agreements provide Taipei with greater international legitimacy and reinforce its independence from China.[6] However, Australia is unlikely to agree to an FTA given the limited practical benefit, as Taiwan currently applies low tariffs on Australia's main exports of minerals and energy. Further, such an agreement would almost certainly cause relationship damage with China.

China exerts pressure across all domains—political, military, technological, and social—to dissuade Australia and other countries from entering into FTAs with Taiwan. For this reason, Taiwan has FTAs with only a handful of economies, the largest being New Zealand and the smallest being the Marshall Islands.[7] In response to Canberra taking security and political positions that angered Beijing, Australia has faced punitive trade measures from China since 2018, costing its economy an estimated $31 billion in lost commodity exports.[8] To stabilize relations with China as much as possible, Australia is unlikely to negotiate an FTA with Taiwan that would deliver little trade benefit. However, apart from an FTA, there are other areas where Australia can help Taiwan increase its resilience, such as energy security and the clean energy transition.

Renewable Energy and Supply Chains Are a Primary Area to Enhance Australia-Taiwan Cooperation

Australia and Taiwan have a strong relationship when it comes to traditional energy security. Taiwan relies heavily on energy imports, and Australia is its largest provider, supplying approximately two-thirds of its coal and one-third of its natural gas.[9] However, beyond Australia exporting more coal and gas to Taiwan, Canberra has an opportunity to strengthen Taipei's energy security and further Australia's national priorities by cooperating on renewable energy sources and their supply chains. Plus, further integrating Taiwan into global energy supply chains will increase its value to the international community and complicate China's calculations in the event of a conflict.

Two areas where deeper Australia-Taiwan cooperation on renewable energy and supply chains would be particularly valuable are hydrogen and lithium-ion batteries. Australian and Taiwanese senior officials have been discussing hydrogen cooperation since at least 2021, when trade ministers from both countries participated in a hydrogen trade and investment dialogue.[10] In 2022, the Australian government also hosted a Taiwanese business delegation to explore hydrogen opportunities.[11]

Australia-Taiwan bilateral cooperation in this area could be expanded to trilateral or even quadrilateral cooperation with Japan and the United States. Australia and Japan have a Clean Hydrogen Trade Program, and Australian and Japanese businesses have been partnering on groundbreaking hydrogen projects.[12] The United States is also heavily investing in hydrogen, including as part of the industrial policy measures contained within the Inflation Reduction Act.[13] Combining Australian, Taiwanese, Japanese, and U.S. efforts on the hydrogen supply chain could

streamline individual and bilateral efforts. This could be realized through commencing trilateral or quadrilateral dialogue with officials and industry leaders, progressing to a formal agreement and joint development.

The other opportunity for greater Australia-Taiwan cooperation is in large-capacity renewable batteries. Demand for lithium batteries, used in electric vehicles (EVs), grid storage, and consumer electronics, is greatly increasing.[14] Taiwan has a growing battery industry, and Australia produces 60 percent of the world's lithium, which is needed for lithium-ion batteries.[15] Both Australia and Taiwan stand to benefit from cooperation on batteries: Australia from value-added mineral resources, access to Taiwanese technical capabilities, and potentially more Taiwanese investors and customers, and Taiwan through diversifying its battery manufacture, better securing its critical supply chains, and supporting its EV sector. Australia and Taiwan have commenced cooperation on batteries, including an agreement between Taiwanese battery company Aleees and Australia-based mining company Avenira to develop a manufacturing plant for lithium battery cathodes in Australia's Northern Territory.[16]

Australia-Taiwan cooperation on batteries, perhaps expanded to Japan and the United States, has the potential to supplement the global battery supply chain. China currently dominates the mid- and downstream stages of battery processing and manufacture, accounting for approximately 73 percent of global manufacturing capacity in 2023.[17] Should Beijing seek to withhold trade in this sector for political or strategic reasons in the future, it is important that other battery supply chains are developed. At best, Australia, Japan, Taiwan, and the United States could produce a battery supply chain without a production stage in China, reducing Beijing's ability to weaponize this commodity.

Taiwan's Accession to Regional Trade Pacts Would Aid Its Cause but Is Currently Unlikely

A primary way Taiwan asserts its agency in the international system is through its membership of country groupings as an "economy." Taiwan is a member of the World Trade Organization (WTO) and the Asia-Pacific Economic Cooperation (APEC) initiative and has applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).[18] Other CPTPP members include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam, with the United Kingdom expected to be admitted in 2024. Considering Taiwan's high trade and labor standards, it would be an ideal CPTPP member and accession would hold considerable symbolic importance to Taipei, similar to FTAs but on a larger scale.[19]

However, China has also applied for membership. Considering that Beijing is unlikely to reform its economic practices sufficiently to achieve membership, some CPTPP members—concerned about repercussions from China should Taipei be accepted and Beijing rejected—hesitate to accept Taiwan.[20] As the CPTPP is a consensus-based agreement requiring endorsement by all, some members could perpetually delay Taiwan's application. Although Japan welcomed Taiwan's bid publicly and Australia would likely support it privately, current circumstances reduce the likelihood of CPTPP membership being an avenue to support Taipei's resilience.[21] Nevertheless, Australia

and Japan should continue lobbying for Taiwan's accession within the grouping, with the hope of gaining wider support from other CPTPP members in the future. One way to do so would be through an internal CPTPP working group, as Taiwanese diplomats have suggested.[22]

Maintaining stability in the Taiwan Strait will be extremely challenging given that China is attempting to change the status quo incrementally through coercion of Taiwan and its partner nations. Beyond Australia's bilateral relations with Taiwan or coordinating efforts with Japan and the United States, Canberra's primary interest in Taiwan is stability. However, it may be possible for Australia to work more closely with Taiwan on renewable energy and supply chains in a way that is less escalatory and still supports Taipei's resilience. While careful calculation is imperative, without some resolve, Australia risks continual backsliding in its relations with Taiwan, to Australia's detriment.

Maximizing Australia's Subnational Government and Civil Society Engagement with Taiwan

By John Fitzgerald

Deterrence and Community Resolve

Effective diplomatic, economic, and military deterrence requires liberal democracies to show and communicate the willingness of free citizens to bear the costs of deterrence and conflict and associated disruptions to their way of life. An otherwise well-designed deterrence strategy is unlikely to deter if a liberal democracy fails to communicate the resolve of its citizens and the likely choices of its decisionmakers.

As a liberal democracy, Australia and its citizens have proved willing to bear the costs of the significant trade penalties China has imposed on them in retaliation for Canberra's decisions around foreign interference, cyber threats, critical infrastructure, and the origins of the Covid-19 pandemic. Such forceful demonstration of public resolve signals that the people of Australia, no less than their government, are willing to bear the costs of preserving institutional integrity and national sovereignty in the face of foreign coercion.

If Australia were to impose economic penalties on the PRC over a Taiwan contingency or to support U.S.-led efforts to assist Taiwan, a similar demonstration of public resolve could not be taken for granted.[1] Such a demonstration would require broader public agreement than exists at present about what is at stake in the Taiwan Strait, why this matters to Australia, what the people of Taiwan want for their future, and why that too matters for Australians. Although Taiwan's place in the growing geopolitical rivalry between China and the United States receives ample public attention, Australians are seeing and hearing too little about Taiwan itself. Greater public awareness of why Taiwan matters to Australia in the long term, on its own merits, needs to be generated through

more extensive and intimate subnational and community ties between the people of Taiwan and Australia. Civil society has a part to play in this effort.

Why Civil Society and Subnational Government Ties Matter

Taiwan confronts challenges and risks as grave as any country—including pandemics, floods and earthquakes, cybersecurity risks, gray zone disinformation and foreign interference, and possible maritime blockades and invasion—but it faces them without the benefit of international cooperation that risks on this scale normally entail. In view of Taiwan's exclusion from major international organizations and its difficulties sustaining government-to-government cooperation with countries that recognize the PRC, Taiwan does not enjoy the degree of international cooperation merited by the challenges and risks it faces from one day to the next.

The Australian government, irrespective of which party is in office, limits its engagement with the government of Taiwan. Under its One China policy, Canberra publicly opposes unilateral actions on either side of the Taiwan Strait that could undermine peace and stability in the region. It is reluctant to cooperate directly with the government of Taiwan to secure peace and stability through the normal avenues of interagency cooperation, military-to-military liaison, and department-to-department and ministerial-level collaborations.

It is not just Taiwan that loses out under this arrangement. Taiwan has much to offer in return for international assistance and support through sharing skills and experience in managing gray zone tactics, cybersecurity, natural disasters, energy transition, and preparation for conflict scenarios. Australia's subnational governments and civil society do not operate under the same constraints as the federal government and so are in a position to pick up where national government relations leave off, particularly in sharing skills and experience across areas of common concern. They could draw on Taiwan's experience and expertise to assist Australia in meeting its own challenges around natural disasters and pandemics, cybersecurity, gray zone disinformation, foreign interference activities, and other areas of common concern, at the same time building familiarity through people-to-people ties that would stand both sides in good stead.

Opportunities Taken and Missed

Nothing stands in the way of creating more extensive subnational and nongovernment ties between Taiwan and Australia. According to the Australian Department of Foreign Affairs and Trade (DFAT), the Australian government "strongly supports the development, on an unofficial basis, of economic and cultural relations with Taiwan, including a range of two-way visits, state, territory and local government contacts, trade and investment opportunities and people-to-people links."[2] Public opinion polling suggests that Australians of all backgrounds and all walks of life want to assist Taiwan in the event of conflict.[3] Australians share similar democratic values with people in Taiwan, and Australian society is comparable to Taiwan in scale and complementary in its level of social and economic development. The underlying conditions are in place for closer people-to-people and local government engagement between the two societies. What is missing is encouragement, familiarity, and initiative.

On the Taiwan side, foundations, think tanks, and social entrepreneurs show growing interest in engaging with their Australian counterparts. But few comparable efforts are initiated from the Australian side, leading to missed opportunities. Where opportunities are taken, experience shows that expanded community engagement correlates closely with levels of state and local government engagement with Taiwan.

The Diaspora and Beyond

The democratic government of Taiwan cannot afford to be naïve about diaspora community engagement given the historical role of Chinese Communist Party (CCP) and Kuomintang (KMT) party agents in penetrating and mobilizing overseas Chinese (huaqiao) community organizations during the Cold War. Today, Taiwan's Ministry of Foreign Affairs (MFA) maintains a diaspora affairs (qiaowu) program in its Bureau of Consular Affairs and under each of the ministry's five regional departments. These qiaowu bureaus date from the KMT government's martial law administration during the Cold War, when they competed with CCP United Front agencies to win the hearts and minds of ethnic Chinese overseas. In democratic Taiwan, qiaowu offices have been repurposed from broad outreach programs extending to all Chinese overseas to a narrower role serving a limited range of community and consular functions for Taiwanese overseas.[4] The PRC, by contrast, has stepped up its United Front operations among the Chinese diaspora (including the Taiwan diaspora) to mobilize overseas Chinese in support of China's claims in the South China Sea, the East China Sea, the Taiwan Strait, and Taiwan.

Neither can Australia afford to be naïve. It is home to around 1.4 million people of Chinese descent, of whom around 80,000 were born in Taiwan or are Australians of Taiwanese descent.[5] Care is needed to reduce the likelihood of disagreement or conflict over Taiwan triggering social fractures and community alienation in Australia. Diaspora issues loom large for Taiwan and Australia in any possible sanctions or conflict scenario.

There is space for new institutional initiatives to compensate for the increasingly disproportionate investment in diaspora affairs between the PRC and Taiwan. One way forward is for Australian think tanks and universities to collaborate with nonprofits and think tanks in Taiwan with unrivaled expertise in exposing and analyzing Chinese-language disinformation and interference operations among diaspora communities. Another is for Taiwan and Australia to look beyond the Taiwanese or ethnic Chinese diaspora in search of broader community support for peace and stability in the Taiwan Strait. Public interest in Taiwan and the PRC reaches well beyond diaspora communities to include Australians of all backgrounds. Again, such an approach would require wider community familiarity with Taiwan than exists at present and a disproportionate investment in local government and community ties by Australians.

Taiwan Outreach, Australian Response

In Taiwan, public diplomacy programs aimed outside the diaspora are largely confined to development assistance programs in a small cohort of countries with official ties.[6] To the author's knowledge, no agency or program is responsible for supporting people-to-people ties with countries

lacking formal diplomatic relations but wishing to expand and intensify their social, cultural, and community links with Taiwan. Rather than engage directly with broader community or civil society organizations in countries such as Australia, the Taiwanese government prefers to outsource this work to nongovernment brokers such as think tanks and other civil society organizations through outreach to leaders and elites from friendly countries.

For example, Taiwan's think tanks have been quick to take advantage of their government's New Southbound Policy to reach out to Australia. The Prospect Foundation and the Taiwan Asia Education Foundation (TAEF) routinely invite Australian political leaders and experts to participate in their high-profile annual forums. Former Australian prime ministers Tony Abbott, Malcolm Turnbull, and Scott Morrison have each taken the opportunity to deliver keynote addresses at major think tank forums in Taipei. Turnbull accepted an invitation to chair the International Advisory Council of the Center for Asia-Pacific Resilience and Innovation (CAPRI), a recently established independent think tank. And Doublethink Lab, arguably the region's most capable nongovernment body focusing on Chinese government interference and cyber operations globally, has closely covered the Australian experience in countering foreign interference. Taiwanese think tank publishing arms also provide ample coverage of Australia, including the first major study of Australian relations with Taiwan to appear in print in many years, T*aiwan and Australia: Advancing the Partnership of Four Decades*, published in 2022.[7]

The initiatives taken by Taiwan actors are highly significant, and the willingness of Australian invitees to accept their invitations is reassuring. Yet few comparable brokers or initiatives have emerged from the Australian side to create closer engagement with counterparts in Taiwan. A proportionate Australian response would match new initiatives coming out of Taiwan one for one. A disproportionate response would make maximum use of the space allowed to local government and civil society under Australia's One China policy to fill gaps in national government engagement with Taiwan created by adherence to that policy. Australia's independent civil society organizations and state and local governments could do more and are well placed to do more, but they need a dedicated platform to provide brokerage in Australia comparable to that exercised by think tanks in Taiwan.

Next Steps

The Australian government approves of people-to-people ties with Taiwan, as well as trading relations and local government relations. In some cases, it offers direct support—for example, by providing opportunities and funding for Australian graduates to work and study in Taiwan under the New Columbo Plan.[8] Australia also participates directly in the Global Cooperation and Training Framework (GCTF), a government-to-government platform for sharing expertise and experience with Taiwan and selected partners on matters of common concern.[9]

The Commonwealth has few programs advocating for stronger ties at the subnational level or promoting civil society engagement with Taiwan, though plenty of resources are available. DFAT houses a public diplomacy initiative with annual grant programs supporting cultural diplomacy and Indigenous diplomacy, both highly relevant to Taiwan. DFAT also provides generous funding for people-to-people initiatives with Greater China, including Taiwan, through its National Foundation

for Australia-China Relations. But in practice, few government grants support Taiwan-related initiatives. The Commonwealth could usefully channel more of these resources toward subnational and nongovernment initiatives relating to Taiwan.

Some state and local governments are building closer community ties and investment pathways with Taiwan. Queensland's trade and investment office in Taipei is the sole Australian state office based in Taiwan and is reputed to be the largest subnational government office on the island. In recent years, the Queensland office claims to have attracted several hundred million dollars of talent investment in support of science, technology, and industry development in Queensland, particularly in biomedical research and development. Six of Australia's seven active sister-city links with Taiwan are based in Queensland. Cities in Taiwan also cooperate with the state through clusters of local city links organized through networks supporting smart city and Asia-Pacific city linkages. The state's Taipei office assists with civil society partnerships as well, some of which go back decades. It also facilitates relations with state cultural institutions, including Brisbane's QAGOMA Asia Pacific Triennial, which hosts major exhibitions of Taiwan art and culture. Other Australian states and territories are missing out.[10] The state government of Victoria has few links with Taiwan and no personnel in Taiwan, and in consequence the state hosts no sister-city links or relations with major cultural institutions in Taiwan.

There is growing interest among universities to collaborate in research and teaching and in support of Indigenous diplomacy.[11] There is further scope for university collaborations on diaspora affairs, including cooperation with specialist nonprofit research organizations such as Taiwan's Doublethink Lab, a world leader in research and communication around foreign interference and cyber operations among sinophone communities in the Indo-Pacific.

Charities customarily link communities and countries by providing routine assistance within communities (including diaspora communities) and by reaching out internationally to provide relief as needed. Taiwan is a special case. As a rule, charities and foundations that work in the PRC do not operate in Taiwan, and those that operate in Taiwan have no presence in the PRC, with few exceptions.[12] Absent recognition from international charities based elsewhere, people in Taiwan have found additional incentives to establish independent charities to conduct charitable work comparable to that of large international charities at home and abroad, such as the Taiwan Fund for Children and Families and the Tzu Chi Foundation.[13] The latter operates in Australia and the PRC.[14] In the 1950s and 1960s, some Australian charities assisted the families of war orphans in Taiwan, but to the author's knowledge, none has taken the opportunity to launch new initiatives in cooperation with Taiwan in recent years.[15]

Taiwan offers unique opportunities for Australian chapters of international service clubs. As a rule, international service clubs have a negligible presence in the PRC and hence face few risks to assets or personnel arising from engagement with counterparts in Taiwan. Rotary International, for example, runs a large chapter network in Taiwan that is active in supporting local charities and providing international development assistance. Rotary is also very active in Australia. In 2023, several hundred delegates from Taiwan attended the annual Rotary International convention in Melbourne. Local chapters of Australian service clubs, such as Lions, Rotary, Apex, and Probus,

could expand contacts and exchanges more systematically—for example, by providing local support in rural and regional Australia, where thousands of young Taiwanese labor in farms, abattoirs, and warehouses on working holiday visas with little connection to local residents. Local chapters of service clubs could offer similar assistance to visiting Australian students in Taiwan.

Interoperability

Interoperability matters in every deterrence domain. Military deterrence requires interoperability among national armed forces. Cybersecurity demands interoperability of data and security systems. Interoperability of financial systems is essential for cross-border cooperation in tackling financial crime and international terrorism. And interoperability among police forces, coast guard services, and development agencies is a high priority in planning for coordinated emergency responses in the Indo-Pacific. Timely attention should be paid to interoperability among civic institutions wishing to cooperate with Taiwan across national borders, including possible cultural, legal, and regulatory hurdles limiting cross-border cooperation among charities, foundations, service clubs, and other civic institutions.

Civil society is well placed to play expanded roles in Taiwan's relations with countries in the region after basic questions are resolved about who can do what, where, and how. Answering these questions calls for basic research into: (1) the compatibility of legal and regulatory frameworks for Australian charities, foundations, and nonprofits wishing to work in Taiwan; (2) which Australian charities, clubs, societies, and other civil society institutions can work in Taiwan, which cannot, and why; and (3) which Australian charities, clubs, societies, and civil society institutions would be willing to cooperate with counterparts in Taiwan and what it would take to get them started. Parallel research could be usefully undertaken in Taiwan.

Conclusion: A Disproportionate Effort

The Australian government takes no position on the issue of Taiwan's sovereignty, but it opposes the use of violence to resolve the issue. It works with allies and partners to deter conflict by building capability, establishing credibility, and communicating resolve to maintain peace and stability in the Taiwan Strait.

For effective deterrence, democratic countries need to communicate to all concerned that their people, not just their government and policy specialists, have the understanding and resolve to bear the costs of deterrence. To this end, communities need to understand what is at stake in Taiwan, why it matters, and what Taiwan's forceful incorporation into the PRC could mean for their well-being and prosperity. Liberal democracies need to bolster communication around deterrence by building community resilience and communicating national resolve.

In Australia, local governments and civil society have key roles to play in this effort. The Australian government is constrained by its One China policy commitments. Subnational governments and civil society are less constrained, but through misunderstanding and want of encouragement, they often refrain from engaging with their counterparts in Taiwan as deeply and often as they could.

Building public knowledge and understanding about Taiwan requires disproportionate effort by Australia's subnational governments and nongovernment organizations, consistent with their missions and resources, to engage with counterparts in Taiwan, develop mutual support networks, counter gray zone tactics used to undermine public resolve, and find practical ways to assist each other in any crisis. Ahead of any crisis, this requires building connections and ensuring interoperability among subnational and nongovernment players in the region to facilitate more extensive communications and intensive people-to-people ties. These players include states, provinces, and cities; charities, philanthropies, and nonprofits; universities and schools; clubs and associations; faith-based groups; sporting leagues; educational and cultural institutions; and think tanks, among others. Building routine connections between people and organizations in Australia and Taiwan promises immediate benefits to both while building and communicating resolve to assist one another in a time of crisis.

The Information Battle and Taiwan Strait Security

By Benjamin Herscovitch

China is using a vast array of tools of statecraft to shift the cross-Taiwan Strait status quo in its favor. Among other policy levers, Beijing is regularizing the presence of the People's Liberation Army around Taiwan, stepping up its efforts to exclude Taipei from international organizations, and both punishing and rewarding the Taiwanese people with a mixture of economic coercion and inducements. As well as calibrated U.S. and allied responses to these and other examples of China's statecraft, preserving stability in the Taiwan Strait demands action in the information domain.

China's global information campaign against Taiwan has two major components: (1) the spread of disinformation about the international status of Taiwan and the One China policies of various countries, and (2) the reshaping of various countries' positions on Taiwan to bring them in line with Beijing's One China principle. According to this principle, Taiwan is, inter alia, "an inalienable part of China."[1] By propagating the idea that Taiwan is by right, and so should be in practice, part of the People's Republic of China (PRC), Beijing's information campaign is incrementally creating an international environment more conducive to China's eventual annexation of the island.

China's Disinformation about Taiwan

China spreads disinformation by regularly making erroneous claims about history, international politics, and other countries' policies. Although the PRC has never ruled Taiwan and imperial Chinese dynasties had either incomplete or, in most cases, little to no political control or influence on the island, Beijing nevertheless incorrectly claims that the island "has been an integral part

of China's territory since ancient times."[2] Beijing also frequently misrepresents the 1943 Cairo Communiqué by claiming that it declared Formosa/Taiwan should be returned to China, when it actually stipulated that the island should be returned to the Republic of China, or China as ruled by the nationalist Kuomintang, not the PRC as ruled by the Chinese Communist Party.[3]

Meanwhile, China deceptively claims that UN General Assembly Resolution 2758 affirms "Taiwan is an inalienable part of China's territory."[4] But this UN resolution makes no mention of Taiwan's status; it is solely concerned with transferring China's representation in the United Nations from Chiang Kai-shek's Kuomintang government to the PRC.[5] As with China's false claims about Chinese and Taiwanese history and the Cairo Communiqué, the disinformation regarding this UN resolution seeks to internationalize and legitimize Beijing's One China principle and the PRC's claim to Taiwan.[6]

China also spreads disinformation by misrepresenting various countries' One China policies as versions of Beijing's One China principle. Numerous states subscribe to different configurations of One China policies that recognize the PRC as the sole legal government of China without also endorsing Beijing's view that Taiwan is a province of the PRC.[7] Despite this, the Chinese government routinely asserts that its One China principle is "a universal consensus of the international community."[8] China also regularly seeks to deceive the public about the One China policies of other governments.[9] For example, Chinese diplomats in Australia have published a series of op-eds in major Australian newspapers and local Chinese-language media in 2022–24 falsely claiming that Canberra is committed to Beijing's view that Taiwan is a province of China.[10]

Propagating Beijing's One China Principle

China is also successfully persuading countries to willingly sign on to its One China principle via less deceptive methods. As countries shift their state-to-state relations from Taiwan to the PRC or upgrade already established ties with Beijing, the Chinese government is persuading them to endorse its One China principle via communiqués and joint statements. Countries that recently switched recognition to China, including Kiribati and Solomon Islands in 2019, Nicaragua in 2021, Honduras in 2023, and Nauru in 2024, have agreed to joint communiqués that formally and fulsomely support Beijing's view that Taiwan is an inalienable part of PRC territory.[11]

At the same time, the Chinese government is persuading countries to endorse Beijing's One China principle when they expand or upgrade ties. For example, the 2023 joint statement between Timor-Leste and China establishing a comprehensive strategic partnership included a clause stipulating "firm adherence to the one-China principle."[12] This was a dramatic shift toward Beijing's position, considering that previous bilateral messaging had referred to a One China policy without specifying that Timor-Leste would regard Taiwan as an "inalienable part of the Chinese territory" and oppose "any form of 'Taiwan independence.'"[13] Timor-Leste is just one of many countries that have been persuaded in recent years to embrace China's position on Taiwan.[14]

Beijing stepped up its efforts to internationalize its One China principle after Taiwan's 2016 election of a Democratic Progressive Party (DPP) president, and the Chinese government is unlikely to wind back this push following the reelection of a DPP candidate in January 2024.[15] With Beijing signing

more capitals up to its One China principle as they either sever state-to-state ties with Taipei or upgrade existing relations with the Chinese government, the number of nations that formally subscribe to the One China principle is likely to increase further.[16]

What Should Be Done?

China probably cannot annex Taiwan simply by shifting international official and public opinion and the particulars of the One China policies of a range of countries. But Beijing likely understands that its efforts to isolate and eventually take control of Taiwan will be aided if more countries and publics can be won over to the Chinese government's view that the island is a province of the PRC.[17] To preserve stability in the Taiwan Strait, Australia, Japan, the United States, and other like-minded states should counteract China's efforts to spread Taiwan disinformation and propagate its One China principle by doing the following[18]:

- Jointly and individually rebut the Chinese government's disinformation about Chinese and Taiwanese history, the Cairo Communiqué, UN General Assembly Resolution 2758, and international support for Beijing's One China principle.
- Provide private support and advice to other states regarding the options available to them as they consider how to articulate their positions on Taiwan and emphasize that they need not adopt Beijing's One China principle.
- Use ministerial speeches and official statements to more regularly reassert the latitude that states enjoy to engage with Taiwan under their respective One China policies and, where necessary, rebut examples of Chinese government disinformation about these policies.
- Reinforce via official government messaging to their publics, subnational governments, and private sectors that extensive and deep engagement with Taiwan in the trade, investment, political, cultural, people-to-people, and other arenas is entirely consistent with maintaining One China policies.[19]

Calibrated military responses from the United States and its allies are essential for preserving stability in the Taiwan Strait. But hard power is not enough.[20] The fight to maintain the status quo of a de facto independent liberal democracy in Taiwan will be jeopardized if like-minded countries cede the information domain to China. Just as it would be better from China's point of view to take Taiwan without having to fight, other countries can foreclose the possibility of such an easy victory by ensuring that Beijing does not win the world over to its view that Taiwan is simply a province of the PRC.

How Australia, the United States, and Japan Can Support Taiwan's Resilience

By Huong Le Thu

To understand how to enhance Taiwan's resilience, it is essential to know what resilience is. Resilience is defined as "the will and ability to withstand external pressure and influences and/or recover from the effects of those pressures or influences."[1] NATO considers resilience its first line of deterrence and defense.

Taiwan faces pressure on all fronts: an increasing threat of military invasion, relentless intimidation and gray zone provocations, challenges to its domestic affairs through campaigns of mis- and disinformation, and attempts to take advantage of its open democratic system. Furthermore, like any other country, Taiwan faces frequent natural disaster risks characteristic of its geographical position, such as earthquakes, cyclones, and floods. As such, the country has long taken steps to prepare its citizens to play responsible roles in the face of frequent crises. Resilience is key to national comprehensive defense. Taiwan's primary concept of resilience—preparing the population's response to any disaster—also hardens it to the external pressures of a stronger adversary.

According to an International Crisis Group analysis, China's preferred scenario in the event of an armed invasion would be a lightning war that quickly subdues the population before any outside power can come to the island's aid.[2] U.S. intervention cannot be presumed, particularly as uncertainty mounts around the results of the November 2024 U.S. presidential election. In a contingency of an armed invitation, Taiwan needs to have the capacity to hold out until military support from the United States can be mobilized. Today, Taiwan is not optimally postured to do that. While the cross-strait military balance of power overwhelmingly favors China in quantitative and qualitative terms, Taiwan can still take steps to improve its position, such as investing in its

asymmetric capabilities. Hence, Australia, Japan, and the United States need to support Taiwan's efforts to make these investments.

If China's primary goal is to win without fighting, then the primary battlefield is not necessarily military but psychological: China must subdue the spirit of the Taiwanese people and their desire to resist Beijing. Victory is achieved through consistent long-term operations enabled by information technology, making China's strongest weapon its mis- information and disinformation campaigns. Hence, protection of Taiwan's cyber infrastructure becomes a primary priority. For a democratic society, managing the challenges of misinformation must be balanced with liberal values that safeguard the open flow of information.

Increasing Resilience through Early Preparation

In an invasion, China would almost certainly conduct cyber and electromagnetic attacks to disrupt Taiwan's ability to communicate. The island will need to strengthen its infrastructure to ensure it can remain connected to the outside world after the first waves of attack. Reducing energy dependency by stocking more fuel reserves will also be important. Given the potential power crunch the island faces in 2025 with the planned closure of its last two nuclear reactors, Taipei should consider postponing the shutdowns as well as expanding its liquified natural gas (LNG) storage capacity. The same logic applies to other critical supplies such as food and medicine. Taiwan has achieved only 31.3 percent self-sufficiency in food, and it imports about 50 percent of its active pharmaceutical ingredients from China.[3] It should quickly find ways to replenish its stores. A greater investment in civil defense preparedness, building on past civil society initiatives, would also be wise.

Digital resilience should include reinforcing the access of officials and public figures to communications networks, securing essential databases, developing alternative communications pathways to international audiences, and improving the physical security and cybersecurity of terrestrial infrastructure. A 2023 RAND Corporation report showed that China had gathered intelligence on nearly 300,000 points of interest (POIs) in Taiwan, including 550 POIs containing the locations of such network infrastructure as cable landing stations, internet service provider facilities, and mobile telephone facilities. Another 2,397 POIs detail the location of local, provincial, and government offices. These facilities could be targeted in advance and destroyed by rocket artillery or captured by special operators emerging on the first day of the attack. The case of Ukraine has shown the value of using satellites to link disconnected local networks, particularly when hard infrastructure is likely to be vulnerable.

A similar alternative could be arranged in Taiwan by linking very small aperture terminals (VSATs) to 5G base stations in a variety of locations. As the terrestrial connections to core networks are severed, groups of 5G base stations could form edge networks and use VSATs to interconnect them.[4] The People's Liberation Army (PLA) would almost certainly hit electrical generation early in a conflict. Taiwan will need to prepare backup power sources for its edge and core networks and construct duplicate cable landing stations at alternative locations, at least for the highest-priority government agencies and military units.

Increasing the Robustness of Taiwan's Satellites

For an island nation such as Taiwan, satellites are the most feasible—albeit much less capable—substitute for submarine cables. Satellites cannot replace the enormous capacity of submarine cables, but they can connect high-priority fixed and mobile users, including government leaders, private citizens, and military units and the organizations and industries that support them. However, this option is complicated and deserves closer inspection.

Both government-owned and commercial communications satellites cover Taiwan and the air and sea lanes surrounding the island. Communications satellites owned by the United States and other governments are mostly in geostationary orbit (GEO), while commercial communications constellations operate in low Earth orbit (LEO), medium Earth orbit (MEO), and GEO. The RAND report showed that a total of 182 communications satellites lie in the portion of the GEO arc visible from Taiwan. Of these, 63 are operated by commercial constellations based in countries likely to be sympathetic with Taiwan if China attacks it. The U.S. government and the governments of allied nations also operate 32 communications satellites that could provide coverage to users in Taiwan, including four wideband global system (WGS) satellites. Each WGS satellite can provide 500 megahertz of X-band capacity and 1,000 megahertz of military Ka-band capacity, which is at a higher frequency than commercial Ka band.[5]

China has demonstrated direct-ascent anti-satellite (ASAT) weapons capable of destroying LEO satellites. It also has maneuverable satellites that could act as space mines by exploding near a GEO satellite and showering it with debris. The U.S. Department of Defense judges that China might also be improving its ground-based lasers to cause structural damage to LEO satellites and might be developing a new ASAT weapon to strike GEO satellites.[6]

The U.S. government could help by providing some capacity from the four WGS satellites operating within view of Taiwan. Partners should consider supporting Taiwan by using commercial and military satellites for priority Taiwanese government, military, and civilian communications in the presence of heavy jamming attacks. Australia, Japan, and the United States can work closely with commercial providers to regularly practice shifting communications among satellites. Partners could support developing protocols to grant access to lower-priority public offices, businesses, and individuals on an as-needed or as-available basis. They could assist with providing a diversity of options to deploy mobile generators to maintain electrical power for critical satellite terminals. Moreover, a long-term approach to capacity building should be considered—including, for example, student training programs and research and development collaborations.

The trilateral support in information capacity resilience is not without challenges when it comes to the restrictive and sensitive nature of information protection. Support for capacity building should be long term; it requires commitment from three governments and must be binding enough to sustain the changes in electoral cycles.

Energy Resilience

Energy security is national security. Energy dependence, laid bare after Russia's 2022 invasion of Ukraine, limited many European and NATO members in their security decisions. Energy resilience is of critical importance in preventing the swift takeover of Taiwan by Beijing. Right now, Taiwan is not optimally prepared: it imports 97.3 percent of its energy.[7] Building the energy system's resilience will depend on expanding storage capacity for the stockpiling of oil, coal, and natural gas as well as effective planning for the rationing and efficient redirection of energy to critical sectors.

Enhancing the resilience of critical infrastructure not only increases Taiwan's ability to withstand coercion but also helps deter a blockade. Coal is particularly suited to enhancing resilience during a blockade due to its high energy density, ability to be stored either on- or off-site, and capacity to be dispatched as needed. Data from the Ministry of Economic Affairs (MOEA) maintains that Taiwanese oil stockpiles surpass 100 days.[8] Taipower, the state-owned electricity company, is investigating potential sites to store enough coal to generate up to 50 days of electricity, and MOEA has reported that coal inventories will increase in the coming years. CPC Corporation, Taiwan's state-owned petroleum and natural gas company, has plans to install additional storage tanks at each of Taiwan's three LNG terminals to achieve a 24-day storage capacity by 2027.[9]

Democratic Resilience

At the core of Taiwan's ability to sustain a potential blockade and other war scenarios is the spirit of the nation. Taiwan is at the center of Chinese interference operations and attempts, and infiltration by Chinese intelligence and subversion actors is at an all-time high, as demonstrated during the January 2024 election.[10] Yet the robustness of Taiwan's election procedures and results has affirmed confidence in the island's societal and democratic resilience. This is not pure luck but a result of a crafted system designed to recognize and respond to disinformation. Success is based on a decentralized network that relies equally on civic responsibility as well as media and information organizations, think tanks, fact-checking platforms, and general education institutions.

Resilience against subversion is the most critical element, albeit the hardest to grasp, in the island's long-term future. Hardly any other country has such acute awareness of China's sharp power as Taiwan. Partners in the region can often learn more from Taiwan than Taiwan can learn from them in this regard. But continuous support in defending democratic resilience needs to become a staple going forward as the sophistication of influence operations and frequency of disinformation campaigns only increase. The acute awareness among the Taiwanese people of the critical role of civic responsibility to their nation's resilience may also hold lessons of value for the United States, Japan, Australia, and other like-minded partners.

Rhetoric Meets Reality

How Australia Could Do Much More to Deter Beijing and Support Taiwan

By Lavina Lee

At the 2024 ASEAN-Australia Special Summit in Melbourne in March, Australian foreign minister Penny Wong stated that the region is facing its "most confronting circumstances in decades," including the expansion of military power without "measures to constrain military conflict," "unsafe actions at sea" and in the air, and militarization of "disputed features," noting that a major conflict in the region would be devastating.[1] Her solutions were threefold: (1) leader-level and military-to-military dialogue between the United States and China; (2) a commitment to build "preventive infrastructure to reduce the risk of crisis, conflict and war by accident"; and (3) investments in military capability to deter a conflict. Diplomatic dialogue and building institutional frameworks to manage inadvertent escalation can be useful tools of statecraft if an adversary is content with the status quo and open to both. In other circumstances, military deterrence is essential to preventing conflict in the Taiwan Strait and other regional flash points in the South and East China Seas.

Wong's strategic appraisal of the increasing risk of conflict reflects the assessments made in Australia's 2024 National Defence Strategy, 2023 Defence Strategic Review (DSR) and 2020 Defence Strategic Update. In all three documents, Canberra assessed that Australia would no longer have warning time for a major attack on its territory or military assets and that there was an urgent need to develop enhanced deterrence-by-denial capabilities to prevent this from occurring. The DSR recommends changes to defense force structure and force posture to enhance Australia's capabilities as well as support U.S. and allied force projection, also for the purposes of deterrence. This approach continues under the just released 2024 National Defence Strategy, which explicitly acknowledges that the "risk of a crisis or conflict in the Taiwan Strait is increasing."[2] The U.S.-

Australia alliance and the AUKUS partnership are key to Australia's development of deterrence-by-denial capabilities in the short and long terms.

Australia's intent to advance its deterrence-by-denial capabilities—alone and with the United States and partners such as Japan—is the most effective response to increasing Chinese belligerence and coercion toward Taiwan. Stability in the Taiwan Strait can come only from deterrence, and deterrence is possible only with a favorable military balance of power and demonstration of capability, readiness, and willingness to act. Over its history, China has likely learned that long wars are disastrous, and the uncertain end to Russia's ongoing war with Ukraine may encourage China to have greater patience in its ambition of "reunification" with Taiwan. This gives Australia, Japan, the United States, and other like-minded partners a narrowing window of time to organize and develop capabilities for credible deterrence. However, any failure to do so urgently undercuts the credibility of strategic pronouncements about the growing risk of regional conflict and will increase instability in the Taiwan Strait. In short, China will be watching progress on this front and making assessments of both capability and resolve as it continues to expand and modernize its armed forces.

There is, however, already a growing gap between the dire strategic assessments made in recent Australian defense policy reviews and Canberra's willingness to commit to the necessary increases in defense expenditure or to make speedy and effective decisions on defense capability, posture, planning, and readiness. While U.S. intelligence reports that Chinese president Xi Jinping has asked the People's Liberation Army to be ready to annex Taiwan by 2027, none of the Australian government's current procurement decisions will significantly contribute to the deterrence of China before the end of the decade. At the earliest, Australia will receive its first Virginia-class submarine after 2032 and the first of six new Hunter-class frigates in 2034. Given the history of cost blowouts and delays in Australian defense procurement programs, the surface fleet is unlikely to grow in size until the mid-2030s. Further, Australia's plans to acquire long-range strike capabilities depend on an expansion in U.S. defense industrial capacity.

As the Australian government works to stabilize its relationship with China, it also avoids speaking plainly to the public about the real risks of conflict, Australia's interests in contributing to deterrence, supporting the U.S.-Australia alliance, and the economic and strategic consequences for Australia should war occur. In these circumstances, it becomes difficult to politically justify major procurement decisions such as AUKUS and the much-needed expansion in the defense budget. Indicative of the current government's real commitment to deterrence, defense spending as a percentage of gross domestic product (GDP) is predicted to increase from 2.0 percent in 2023–24 to 2.4 percent by 2033–34. Only an extra AUD 5.7 billion $3.8 billion) will be added to the defence budget over the next four years.[3] Australia will only be able to make a meaningful military contribution to strategic stability in the Taiwan Strait after around 2033—apart from having a useful strategic geography and making contributions to allied signals intelligence through joint defense facilities such as Pine Gap.

Putting these worrying shortcomings aside, nonmilitary forms of deterrence can also make an important contribution to deterrence and strategic stability in the Taiwan Strait. Like other regimes, the Chinese Communist Party will base its decision to use force not only on military calculations

but also on nonmilitary factors such as the impact on regime security and the personal interests and calculations of President Xi. Existing research identifies a range of nonmilitary costs that could be imposed on China should it choose the path of war, such as economic, diplomatic, institutional, and reputational consequences.[4] A great lesson from Russia's invasion of Ukraine in 2022 is the failure of the United States and European countries to signal their firm resolve to impose broad-based sanctions on Russia to influence and deter Moscow's cost-benefit calculations. In the case of deterring Beijing, the choice between "national rejuvenation" and taking Taiwan by intimidation or force must be made clearer (i.e., that both are not possible).

More could also be done to increase and support Taiwan's international relevance and counter China's efforts to restrict Taiwan's interactions with the international community. The greater Taiwan's economic role and presence in the world are, the more prosperous it becomes and the more resources it will have to defend itself, contributing to strategic stability. More comprehensive engagement with Taiwan by more countries means that the risks and costs for China of military action increase. This should include support for Taiwan's membership of international organizations where statehood is not a requirement for accession, renewed efforts to form bilateral trade agreements, and Taiwan's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which directly counters China's ability to use economic levers of coercion.

Currently, Australia's approach of stabilizing diplomatic relations with China is preventing it from contributing to the nonmilitary aspects of deterrence. The government under Prime Minister Anthony Albanese was prepared to pay a high price to clear a path for his November 2023 meeting with President Xi, dropping or suspending cases against China in the World Trade Organization (WTO) for imposing coercive trade sanctions from 2020 on a range of Australian goods—cases Australia likely would have won. Moreover, Canberra was slow to protest China's use of sonar near an Australian frigate upholding the UN sanctions regime against North Korea in international waters, which injured four navy divers; it did so only after domestic political pressure.[5] Renewed dialogue did not spare Yang Hengjun, an Australian human rights and democracy activist, from receiving a suspended death sentence by a Chinese court in February 2024.

Canberra has shown no interest in pushing Taiwan's membership of the CPTPP and has given mixed messages about its eligibility to join. Neither has it sought to expand bilateral trade or intergovernmental engagement with Taipei. It may be some time before Australian leaders realize that stabilizing relations with China—a country that relies on escalation, intimidation, and tactical surprise—is a difficult, if not impossible, task. Rather, the more one concedes to Beijing, the more it demands. In the meantime, Australia is avoiding confrontation with Beijing and has little appetite to lead on widening Taiwan's international space. In doing so and avoiding strong pushback against coercive behavior by Beijing, it fails to contribute to deterrence or stability in the Taiwan Strait through important nonmilitary tools of statecraft.

Taiwan's Dangerous Balancing Act

By Richard McGregor

In any ordinary democracy, the results of Taiwan's January 2024 election would have heralded an era of continuity in politics, with the ruling Democratic Progressive Party (DPP) candidate winning a third consecutive term in the presidential palace. But continuity in Taiwan's domestic politics conveys neither certainty, nor stability, nor peace, as Beijing will not accept the current status quo on an island it regards as its own sovereign territory.

The DPP's roots in the island's independence movement and its refusal over the last eight years to sign on to Beijing's required One China formulations make the ruling party an avowed foe of China's ruling communists. Beijing's dark view of the DDP and its president-elect, Lai Ching-te (William Lai), will ensure that Beijing retains pressure on the ruling party through various means until it gets its way.

In the face of such ongoing pressure, Taiwan needs the same support from like-minded members of the international community as it did before the election. The essential elements of its survival are the same as well: a combination of internal resilience and external options, both necessary to ensure it retains a say in its future.

The United States and its partners are indispensable in this respect, but it goes without saying that outsiders can only do so much. The Taiwanese political system has to commit to using its own powerful economic and technological qualities to build the strength it needs for its own defense.

Interpreting Beijing's actions in the immediate aftermath of the election requires context, most notably an attempt to understand how Chinese president Xi Jinping and the Politburo view the election.

The DPP did not enter the election with wind in its sails. After two four-year terms, the party's standing suffered from the wear and tear of many long-standing governments. The party was also hurting due to domestic factors such as inflation, high housing prices, and shortfalls in staple foods such as eggs. However, the DPP's greatest asset in the campaign was the disarray among the opposition candidates. If the DPP is the anti-China party, the opposition groupings collectively represented the "anti-anti-China parties." Although both the Kuomintang (KMT) and the Taiwan People's Party (TPP) oppose the DPP's China policies, they cannot back policies that embrace Beijing in any real fashion because doing so is electoral poison.

In the months prior to the election, Beijing's interlocutors were fatalistic in private about the likelihood of a DPP victory and straightforward in saying such a result would almost certainly provoke a military response. That bellicose messaging moderated slightly in the weeks leading up to polling day, when the parties and candidates opposed to the DPP tried, and then spectacularly failed, to form a winning coalition for the presidency. Although a military response might still come, the expectation of large-scale exercises effectively blockading the island, as happened after the visit to Taiwan by then U.S. House speaker Nancy Pelosi in August 2022, has not come to pass.

Instead of a large display of force, Beijing has settled on calculated small-scale incursions near the island, seemingly designed to keep the incoming Lai administration on the back foot.

In March 2024, Chinese coast guard officials off the small island of Kinmen, near Fujian Province, boarded a Taiwan tourist boat, the first time such an interdiction has happened.[1] People's Liberation Army Navy research ships increased their patrols off Taiwan's east coast, heralding a sharp uptick in such incursions.[2] Beijing mounted another calculated psychological incursion in the diplomatic arena as well, announcing in the days after the election that the tiny Pacific island of Nauru would switch recognition from Taiwan to China.[3]

In short, Beijing has attempted to keep the incoming president off balance and under pressure ahead of his inauguration while retaining room for escalation both before and after the ceremony in May. Beijing may have taken some solace and thus may have acted with a modicum of restraint because the DPP did not win a majority in the parliament, the Legislative Yuan, in the January election.

The KMT and TPP, if they join forces, can now block DPP legislation. In such a scenario, there will be ample opportunities for Beijing to sow instability in Taiwanese politics, long one of its core aims. Still, the underlying reality of Taiwanese domestic politics is that the population overwhelmingly supports the island's current governing arrangements of de facto independence from China, and they vote accordingly.

Many scholars in Beijing are realistic enough to recognize the reality of Taiwanese public opinion, but communist party leaders in Beijing do not accept it. The long-standing cross-strait standoff—in which Beijing puts political, economic, and military pressure on Taiwan while the government in Taipei tries to fend it off and cultivate support from the United States and its allies—is often broadly referred to as the status quo.

For decades, the term "status quo" has been enshrined in core U.S. policy pronouncements and those of U.S. allies and partners in the region, promoted as something that should be defended and protected. Increasingly, however, the term is becoming dangerously misleading in describing the situation in and around the island. Far from static, as the term implies, the cross-strait status quo is dynamic and changing inexorably in Beijing's favor. The status quo today is very different from the status quo of even a decade ago. China's military now dwarfs that of Taiwan and can blockade the island in the space of a few days.

In the aftermath of Taiwan's election, Beijing wants to shift the status quo even further in its favor. Xi wants concrete, visible progress of the kind Taiwan will not give unless it is coerced into doing so. China does not have the means to easily invade and occupy the island, nor does it appear to have a set timetable to do so. But the PLA does have a large and growing military advantage across the strait and the means to move quickly on the island, and Xi has tasked it to be ready to do so by 2027.

Beijing has also made it clear that Xi's "one country, two systems" model for unification, enshrined in a speech in late 2019, has not shifted, despite many reports to the contrary. Xi's use of the phrase "one country, two systems" in 2019 was widely seen to have been a disaster for Beijing's aims in the wake of Hong Kong. But while Taiwanese voters and outside commentators may have seen Xi's use of the term as a self-harming mistake, Beijing has shown no sign of doing away with the formula.

Wang Huning, a member of the party's top body, the seven-member Politburo Standing Committee, has been in charge of forging new policies for unification since the 20th National Congress in October 2022. Wang, who has been a leading ideologue at the top of Chinese politics for more than a decade, has stuck with the formula while rolling out initiatives—largely economic ones—to add ballast to Beijing's plans for the island.

Taiwan's democracy has been essential to developing an identity independent of China. It also has been beneficial to its people, who lived under authoritarian rule until the late 1980s. But the United States and its partners, including Japan, Australia, and Europe, while supportive and admiring of the island's democratic system, should not overly focus on this quality in marshaling support for Taiwan.

Instead, the key to building support for Taiwan beyond the United States and its closest allies and into the rest of Asia and Europe is a focus on stability and, by extension, the global economic devastation that would flow from any armed conflict—the worst-case scenario of an invasion. The same messages might gain traction in Beijing as well.

Chinese scholars do not countenance at any length the idea that the threat of economic catastrophe from a cross-strait war could deter Chinese military action, other than to suggest that Taipei and its friends are playing with fire in resisting unification. Privately, the message is acknowledged, if not taken on board.

Still, it makes sense that the threat of economic devastation could work to restrain Beijing. Economic growth over the past five decades is the foundation stone of the party's standing among the Chinese people. It is not something that Beijing wishes to damage, especially now that the

economy is slowing. For countries such as Australia, Japan, and the United States to reinforce that point in dialogue with China thus makes perfect sense.

How Australia Can Reduce Timidity on Taiwan

By Rory Medcalf

As Australian foreign policy accentuates stabilizing relations with China, it would be easy and tempting for Canberra to entrench timidity in its policy regarding Taiwan. Instead, now is the time to invest in understanding and explaining why Taiwan matters to Australia's interests.

It is also the moment to creatively explore the boundaries of what Australia can do to engage and support Taiwan as a vital part of the regional and global economy and a dynamic and progressive democratic society. This effort should extend to using the middle-power agency Australian statecraft extols. More can be done to operationalize the sophisticated position Australian governments have defined: a One China policy that acknowledges but does not endorse Beijing's One China principle, which insists that Taiwan is a province of the People's Republic of China.

In 2024, Australia is emerging from years of confrontation, friction, and freeze in relations with China, its largest trade partner. The Labor government of Prime Minister Anthony Albanese, elected in May 2022, prides itself on ending this painful phase, with disciplined diplomacy captured in the mantra of "cooperate where we can, disagree where we must, and engage in the national interest."[1]

Beijing has gradually eased most of the coercive economic sanctions it imposed in 2020 when a conservative Australian government called for an international inquiry into the origins of the Covid-19 pandemic. Although Chinese president Xi Jinping presumably came to realize the coercion was not working in the face of Australia's hardened public attitudes and political resolve, he needed a face-saving way out, and a change of government in Canberra provided that.

There is long-standing bipartisanship in Australia on foreign and security policy. Both the conservative Liberal-National Coalition and Labor support the U.S. alliance, partnership with other Indo-Pacific powers such as Japan, engagement with Southeast Asia and the South Pacific, and a relationship with China that combines massive trade (especially in Australian iron ore exports) with U.S.-led strategic balancing. The fact that the current government remains committed to AUKUS, an arrangement through which the United States and United Kingdom will help Australia acquire nuclear-powered submarines, confirms that Labor is conscious of China as a source of grave geopolitical risk.

But there are political differences in Australia on China policy. Labor's emphasis on engagement with Asia is sometimes miscast as being soft on China. It has been in China's interests to play up—and make real—the perception that some Australian governments are more accommodating of its priorities than others. This strategy aligns with the fact that Canberra is treading with great care when it comes to Taiwan. Long has this been so. After all, it was conservative foreign minister Alexander Downer who in 2004 questioned the applicability of the U.S. alliance in a Taiwan context.

Only in recent years has something of a divide emerged in Australian politics on Taiwan, with current opposition leader Peter Dutton saying on the record, contra Downer, that Australia would support the United States in a Taiwan conflict—or more precisely, that not doing so would be "inconceivable."[2] While Dutton may rightly be criticized for seeking to exploit the China challenge for partisan advantage, it should be uncontroversial to express the judgment that the U.S.-Australia alliance would be broken if Australia stood aloof while the United States went to war with Beijing.

The Albanese Labor government has studiously avoided explaining Australia's defense modernization and the intensification of the U.S. alliance in terms of a hypothetical Taiwan conflict, even though this is a plausible contingency that would profoundly engage Australian interests. Instead, for example, Canberra's April 2024 National Defence Strategy presents a general case for power projection, deterrent capability, the U.S. alliance, and various Indo-Pacific partnerships—all in terms of preventing future coercion and threats to the connected regional economy on which Australia's prosperity and survival depend.[3] Some critics of the AUKUS arrangement distort it as a precooked deal to lock an Australian submarine force into a Taiwan war under U.S. command.[4]

This artificially narrow debate, plus Beijing's insinuation that closer Australia-Taiwan contact would put stabilization at risk, unhelpfully reduces Taiwan in the minds of many Australians to a source of trouble or a proxy for a U.S. primacy imperative, with no political character, rights, or agency of its own. Instead, Australian governments should not be afraid to remind their people (including the business community) of the truth: Taiwan is a self-ruled and democratic polity with its own complex cultural and political history. It is a vital part of the Indo-Pacific and global economic order, particularly given the critical place of its advanced semiconductor industry in global technology supply chains. Bilaterally, Taiwan is hardly insignificant: it is Australia's sixth-largest export market for goods and services and its seventh-largest partner in two-way trade.

Australia and Taiwan also have in common the fact that they are liberal democratic islands, with similar population sizes of more than 20 million people, which seek to navigate a complex and

contested region where many of the other political systems are much less friendly to individual rights. Taiwan upholds the values a democratic and progressive Australia cares for—inclusion, diversity, self-determination, free expression, transparency, accountability, civil liberties, and respect for First Nations peoples—more than anywhere else in Asia. Australians who care about their democracy would also do well to note that Taiwan is a laboratory for identifying and countering electoral manipulation; it functions as an early-warning system for their own and others' democratic resilience.

Australia's Options

Current economic relations between Australia and Taiwan are strong and could be bolstered through appropriate ministerial contact. Domestic prosperity and international stability intersect in many portfolios other than the obviously sensitive areas of foreign affairs and defense. Australia could follow New Zealand's example and negotiate a free trade agreement, plus support Taiwan's membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, a quality trade arrangement where Taiwan eminently belongs.

Dialogue, parliamentary engagement, and education are three obvious areas where Australia and Taiwan could do more together to build each other's awareness and resilience in an era when middle-sized democracies benefit from sharing best practices. Dialogue could occur in the purely informal space of the think tank, or academic "second track," or in a grayer zone where government observers and even occasionally government-affiliated voices could share their expertise. There is no fundamental reason why private sector experts and representatives of subnational governments could not also contribute.

Both sides would benefit enormously from sharing knowledge and policy innovations in such fields as critical infrastructure, supply chains, cybersecurity, and social cohesion. They could thus collaborate in providing security to their economies and societies in ways that do not touch on sensitive questions of diplomatic recognition or military cooperation. Likewise, in preparedness and emergency response—whether against natural disasters and climate impact or more state-directed strategic threats—Australia and Taiwan would find it mutually beneficial to swap notes on their hard-earned experience.

In addition, parliamentary engagement is a promising avenue. The April 2024 visit to Taiwan by a cross-party group of some of Australia's most forthright and active parliamentarians is a significant example.[5] It may also be worth considering minilateral variants of parliamentary dialogue that bring together parliamentarians from two or more democracies, such as Japan, the United States, and European nations. Such dialogue would reinforce messages of democratic solidarity while providing cover for any one country should Beijing translate displeasure into punishment.

Education provides another channel of connection while also building Taiwan's capacity. The minilateral Global Cooperation and Training Framework set up in 2015 brings together Australia, Japan, the United States, and Taiwan as education powers and is a logical pathway for Australian education providers to contribute to Taiwan's resilience while benefiting from its human capital.[6]

Australia should seek to maximize its use of this channel while encouraging wider participation. The framework provides a potential vehicle for other democratic education powers, such as the United Kingdom, Canada, France, Germany, India, and South Korea, to deepen their connections with Taiwan as part of the global research, teaching, and training ecosystem.

For Australia, a stable geopolitical and geoeconomic environment involves much more than a permanently fragile stabilization with China. Australian statecraft has the wit to balance stabilization with the diversified interests and values that define Australia's democracy.

Mobilizing Intellectual Capacity for Taiwan

Resolving New-Era Operational Challenges to Execute the Overall Defense Concept

By Mick Ryan

Much of the current debate about deterrence and potential war over Taiwan centers on the physical and moral elements of national fighting power. In the physical realm, a stalemate over military assistance in the U.S. Congress, the inability of the West to mobilize the defense industry quickly enough, and the kinds of weapons to be procured for Taiwan's defense are dominant themes.[1] In the moral arena, debate includes the extension of military service models and the will of the Taiwanese youth to defend their nation.[2]

However, a third element must be considered. Generating strategic advantage for Taiwan also demands mobilization of intellectual capacity. The need for this third leg of a twenty-first-century mobilization trinity of industry, people, and ideas is most compellingly demonstrated in the Russo-Ukraine war. After two years of destructive mass warfare in Ukraine and beyond, both sides remain waging a twenty-first-century war with twentieth-century ideas. Any change in the trajectory of that war will require improved and synchronized mobilization of people, industry, and new ideas.[3]

The same challenges and opportunities exist with the defense of Taiwan and deterring Chinese aggression. Until recently, Taiwan has persisted with older ideas about defending itself based on conventional capacity and outdated assumptions about the Chinese military. Having watched events in Ukraine in the past two years, Taiwan has been shocked into reassessing its defense.[4] The Russo-Ukraine war has demonstrated that a smaller yet technologically sophisticated nation can forestall the territorial aspirations of larger authoritarian nations if it has the will to do so. It has breathed new life into an older Taiwanese strategy, the Overall Defense Concept, which anticipated the approach Ukraine adopted after the Russian invasion of February 2022.[5] But this is just a

starting point for thinking about the defense of Taiwan. More development is needed, and Taiwan's partners—particularly think tanks and professional military education institutions—could work collaboratively with Taiwan in this effort.

Unpopular Term, Good Concept: The Overall Defense Concept

In 2017, Taiwanese admiral Lee Hsi-min proposed the Overall Defense Concept, which redefined how the Taiwanese government views "winning the war" should China seek to absorb Taiwan by force. The core of this revised theory of victory is that winning the war is defined as "fail[ing] the enemy's mission to occupy Taiwan."[6] This was a shift in traditional thinking about defense and national security in Taiwan. However, many in the military resisted its implementation. As one article on this topic describes:

> Unfortunately, the Overall Defense Concept was more popular with American analysts and officials than it was with currently serving Taiwanese generals and admirals. Driven by personal animosity and the fact that true asymmetry undercuts the rationale for pursuing high-profile, high-prestige, and high-cost weapons, these military leaders and civilian enablers purged the Overall Defense Concept as soon as Lee retired.[7]

Despite the unpopularity of the concept in some circles, it remains a more suitable military strategy for a country in Taiwan's circumstances given the magnitude of changes in China's conventional military capabilities over the past three decades. Seven key ideas underpin Lee's theory of victory to ensure that the mission of the People's Liberation Army (PLA) to occupy Taiwan fails:

1. Abandon the traditional war of attrition and adopt concepts of asymmetric warfare.
2. Develop and adopt the concept of denial instead of control.
3. Shape battle space conditions and engage PLA forces where and when they are at their weakest.
4. Focus on preventing PLA mission successes and attacking their center of gravity rather than on the total destruction of PLA forces.
5. Prevent PLA forces from establishing beachheads on Taiwanese soil.
6. Better utilize Taiwan's geography and civilian infrastructure in a holistic plan of defense.
7. Prepare for and conduct insurgency and other resistance operations to ensure that the PLA—if it can land—cannot effectively control Taiwan.

Phases

The Overall Defense Concept divides the defense of Taiwan into three key phases.

- **Phase 1**: The initial phase is a force protection phase. It would include physical hardening, deception, electronic warfare, continuous redeployment of military units, stockpiling, and air and missile defense activities to ensure that Taiwan's military and civilian infrastructure (and its leadership) can absorb and survive initial PLA air and missile strikes. As Lee writes,

"Without proper force protection measures, most of Taiwan's military power could be destroyed or neutralized in the initial phase of war."[8]

- **Phase 2**: The second phase is the pursuit of a decisive battle in the littoral. Extending 100 kilometers from the Taiwanese shore, this would integrate shore-based antiship missiles, sea mines, naval warships, and air force aircraft to attack high-value PLA air and maritime targets. Key targets would include large Chinese amphibious ships, command and control nodes (on ships and in the air), and other PLA platforms considered mission critical for a successful amphibious landing. Along with more conventional weapons, an important capability in this phase would be Hsiung Feng missiles mounted on trucks.[9] The missiles would be dispersed in Taiwan's urban and mountain regions to survive initial PLA strikes and then would be launched at PLA ships during an invasion.
- **Phase 3**: This phase aims to destroy PLA forces landing on beaches in Taiwan. At most, 14 beaches on the Taiwanese mainland are suitable for amphibious landings. Taiwan's navy would lay sea mines in the waters off these potential landing beaches. A fleet of mine-laying ships is being constructed and launched for this purpose.[10] Concurrently, swarms of small fast-attack boats (crewed and uncrewed), similar to those developed by Ukraine for its Black Sea operations, and truck-launched antiship missiles will engage high-value targets in the PLA invasion force.[11]

Challenges

Although the defense strategy is appropriate for a nation of Taiwan's geography, location, technological capacity, and human resources, many operational challenges remain to execute this strategy. As the war in Ukraine has demonstrated, new technologies introduced to the modern battlefield have resulted in new war-fighting challenges that are as relevant to Taiwan as they are to Ukraine. The following five key operational challenges provide focus for a mobilization of intellectual capacity in Taiwan, supported by key security partners such as Australia, Japan, and the United States to enhance the implementation of a future version of an Overall Defense Concept.[12]

- **Challenge 1**: Integrating old and new technology. The first challenge is effectively and rapidly integrating new technology (e.g., meshed civil-military sensor networks, drones, and democratized access to digital command systems) with old technology (e.g., tanks, helicopters, and artillery). No military can afford to get rid of all old equipment and recapitalize with new technology; it is a gradual process. But this process can often be unevenly distributed throughout an institution. In particular, the security of data and communications links between different systems is a major challenge. The integration of old and new technologies has tactical, operational, strategic, and institutional elements and relies on growing links between the military and industry as well as faster sharing of battlefield lessons.
- **Challenge 2**: The massing versus dispersion predicament. A new-era meshed civil-military sensor framework has resulted in an environment where all the signatures of military equipment, personnel, and collective forces can be detected more accurately and rapidly.[13]

When linked to digitized command and control systems and precision munitions, it significantly reduces detection-to-destruction time in military operations. Massing military forces for ground combat operations, large-scale aerial attacks, or naval operations, therefore, becomes a high tactical and operational risk. Even if an array of hard- and soft-kill measures can protect massed forces, they are almost assured of detection, which makes achieving surprise difficult.[14]

This is equally a challenge in the maritime environment, whether in the Taiwan Strait or in the sea lanes connecting Taiwan and its military partners. Modern military forces must be able to operate in both dispersed and massed forms across domains, and they must minimize their detection signatures when they mass in a way that ensures an improved chance of surprising the enemy.

- **Challenge 3**: Lowering the cost of defending against missiles and drones. While enormous investments have been made over the past couple of decades in the development of remotely controlled autonomous and semiautonomous uncrewed systems, the capabilities to counter these systems have lagged in investment. This has changed since the beginning of the Russo-Ukraine war, particularly with Ukraine's introduction of long-range aerial and maritime strike drones and shorter-range battlefield first-person view (FPV) drones. But there remains a massive gap between the capabilities of uncrewed systems and those that counter them. The Chinese missile, rocket, and drone capability deployed within striking distance of Taiwan is even more significant than that deployed by Russia against Ukraine. There remains a large disparity in the cost of missiles and lethal drones and the systems that defend against them.[15]

  As such, the aim must be not only to reduce the cost of hard- and soft-kill systems but to entirely flip the cost equation.[16] As such, a key operating challenge for Taiwan is to develop a variety of low-cost hard- and soft-kill systems for use against PLA uncrewed vehicles and missiles, which also imposes costs on China, not on those who defend against them.

- **Challenge 4**: The right balance of long-range strike and close combat. The Overall Defense Concept includes a mix of different short- and long-range combat capabilities. Both are required. But getting the balance of investment in aerial and maritime strike weapons, on one hand, and close combat capacity, on the other, is crucial. As such, a key operational problem for Taiwan and its partners to address is the appropriate balance in the deep battle and the close fight (with appropriate support mechanisms for both). Not only must the balance of investment be mostly right, but there should be an effective operational synchronicity within the Overall Defense Concept between these two military endeavors.
- **Challenge 5**: Closing with the enemy. Modern combat forces require new-era techniques that are quicker, lower signature, and more survivable at crossing the operational and tactical spaces between them and their objectives. Ukraine's struggle to penetrate Russian minefields and defensive belts in southern Ukraine exemplifies the failings of current Western military doctrine. Although this might largely be seen as a tactical challenge for

ground, air, and naval forces, it is also an operational and strategic problem. How might U.S., Japanese, and other allied forces approach an operational area around Taiwan in a contingency in a way that minimizes detection and targeting by the PLA?

Solving Operational Problems

The literature on previous military innovations and adaptation provides insights from historically successful military transformations relevant to Taiwan. Some of the most important characteristics of leading successful military transformations in the modern era are as follows.

SPECIFICITY

Military organizations need clear ideas of the operational problems to be addressed. As Williamson R. Murray and Allan R. Millett wrote in *Military Innovation in the Interwar Period*, "A number of factors contributed to successful innovation. The one that occurred in virtually every case was the presence of specific military problems, the solutions of which offered significant advantages to national strategy."[17]

COLLABORATION WITH SECURITY PARTNERS

During the Cold War, NATO countries provided support to each other in developing strategic and operational concepts and shared relevant doctrines and technologies. They also developed NATO standards for equipment, training, and logistics. A similar approach will be necessary in the Western Pacific, less the NATO alliance architecture. Support may include input on technological and conceptual lessons from Ukraine and co-development of new technologies and tactics. It should also include joint testing and experimentation.

TESTING AND EXPERIMENTATION

Once an operational problem has been recognized, the nature of the challenge clarified, and the idea to solve it identified, the new ideas for operating concepts must be tested. This is important for several reasons. First, it ensures expensive, time-consuming organizational changes are not launched without some notion of whether they will work. Second, it provides transparency into new ideas, allowing for more robust examination and critique. Finally, experimentation is an important part of building institutional buy-in for change. As Don Starry wrote in "To Change an Army," "Changes proposed must be subjected to trials. Their relevance must be convincingly demonstrated to a wide audience by experiment and experience, and necessary modifications must be made as a result of such trial outcomes."[18]

DIFFERENT MEASURES OF EFFECTIVENESS

An important aspect of successful adaptation is an institutional view of what makes an organization effective in the operational environment. In *Winning the Next War*, Stephen Peter Rosen found, "Wartime innovation has been most effective when associated with a redefinition of measures of strategic effectiveness by the military organization."[19]

EMBEDDING NEW IDEAS IN DOCTRINE AND INDIVIDUAL AND COLLECTIVE TRAINING

When operational problems have been specified and solutions have been tested and approved, these must be embedded in military doctrine. New doctrine is crucial because this is the foundation for all individual and collective training within military institutions. This is the way true institutional change occurs. It ensures that new ideas are standardized across the entire military organization and with security partners.

LINKING TACTICAL INNOVATION TO INDUSTRIAL OUTPUT

New ideas—and the new organizations that accompany them—guide the adaptation of existing materiel and development of new equipment. New operational concepts developed for Taiwan will also require changes in how current equipment is used. It is also likely that new kinds of equipment and munitions will be required. The process that links new ideas and new defense production must be sped up and potentially distributed among Taiwan's security partners.

Helping Taiwan Deter Aggression by Providing War-Fighting Solutions

Taiwan should not have to address these operational problems alone. Nations such as Australia, Japan, and the United States can assist Taiwan with evolving its operational concepts, solving difficult military challenges, and implementing a 2020s version of the Overall Defense Concept. Doing so will necessitate rigorous simulation, testing, and experimentation. It will also demand a collaborative Taiwanese security partner approach to developing new methods of effectiveness for war fighting in modern conditions, as well as improved links between military adaptation and rapid industry production.

Finally, good political and military leadership is essential to ensuring that the solutions to these issues are embedded into Taiwanese strategic and operational doctrine, individual and collective training methodologies, and promotion systems for senior officers. Given the pace of military development in the PLA, this transformation must be led and executed with one eye on the clock.

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