

## DISCUSSION

**Douglas Paal, Distinguished Fellow at the Asia Program Carnegie Endowment for International Peace, former Senior Director of Asian Affairs and Special Assistant to the President in the US National Security Council**

I want to turn to my fellow panelists now and ask you, starting with the observation that I have – which is the invasion of Ukraine by Russia precipitated quite unexpectedly a cascade of commentary in the US about how Ukraine and Taiwan have a lot in common; and China will take the lesson from what Putin did. This was mostly in the early months of 2022, after the invasion.

There seemed to be a direct relationship between prediction of a coming invasion of Taiwan by China to the lack of knowledge of the person writing the commentary. We have a lot of non-experts offering so-called ‘expert’ opinion on this.

You are all experts on your own countries and attitudes – what do you think are the prospects for this kind of conflict over Taiwan?

Jisi has just reminded us that the US is going through change with the return of the Republicans in Congress. We have an election coming up. Taiwan has a Presidential election coming in January 2024, which invites all sorts of new political games to go on in Taiwan. China has just sort of stabilized after the 20<sup>th</sup> Party Congress, so the action is more likely to be outside China than in, in terms of changing the relationship among the three parties.

From your individual perspectives, how do you see the situation with respect to Taiwan?

**John Andrews, Contributing Editor to *The Economist* and *Project Syndicate***

Do you not think that there are ‘experts’ and ‘experts’, and not all policies are made by the right experts? I mean, I do not think, if you had gone back, way back beyond before February 24, few people would have thought of the invasion – even the Russian invasion of Ukraine – even though there had been a battle, the war in Georgia in 2008. It lasted all of five days. I mean, we have got used to the idea that states do not make war against other states. They fight against non-state actors – so, that is one thing.

Secondly, I think that Donald Trump – now, I would not call Donald Trump an expert on anything – but he really did change the whole, perhaps advised by people like Peter Navarro, picture vis-à-vis China and the USA. The measures that Trump brought in – basically a trade war – they are there and Biden has not taken away most of them, and now you have a ‘chip choke’.

Therefore, I think, with all due respect to Samir, I mean, yes, everybody wants to avoid things going wrong – but they can go wrong. Biden likes to think of this as democracies against authoritarian states – which I think is a pretty simplistic way of looking at it – but the problem with democracy is that they have very short-term horizons. The experts may not, but the politicians do and I worry that things, you get a sort of inexorable slide towards something which is worse than you would want.

Nobody in their right minds really would want to have a Cold War between the US and China, but it is not exactly a warm feeling at the moment and it is hard to see how the warmth will return. That, I think, is the real problem and there is no real analogy with the old Cold War. You had the Non-Aligned Movement but, in fact, the Non-Aligned Movement really had to sort of choose sides at the end. I do not think that is going to happen this time because history is not going to repeat itself. Nonetheless, I do not think we are in a happy place and if, I mean, God forbid Donald Trump were to become President again, all bets are off.

Plus – just a last thing – we really do not, I think, understand Xi Jinping. We do not have a real picture of him. If you are in East Asia or India and South Asia, yes, you have this security architecture. You have got alliances between the US and individual countries; and you have got the Quad and so on, which I think was an excellent idea.

It is better to talk, but I think it was Lee Kuan Yew who once said, ‘When elephants fight, the grass gets trampled; and when they make love, the grass gets trampled as well’. We are not really in a terribly happy position.

### **Douglas Paal**

Anyone else want to jump in?

**Jean-Pierre Cabestan, Senior Researcher Emeritus at the French National Centre for Scientific Research (CNRS) attached to the French Research Institute on East Asia (IFRAE) of the National Institute of Oriental Languages and Civilisations, Professor Emeritus at Hong Kong Baptist University**

Yes. Okay, well, I think there are many differences between Taiwan and Ukraine. The first one we have to keep in mind is Taiwan is an island. There is no territorial continuity between mainland China and Taiwan. To take control of an island, even with a very modern and sophisticated military, it is a very complicated task. I do not think that the PLA today is ready to launch a landing operation against Taiwan. It can launch missile strikes. It can maybe impose a blockade, but the problem with a blockade is how long you can hold it.

The big difference between Ukraine and Taiwan is I do not think that the US can conduct a proxy war in Taiwan. It is very likely, it is highly likely, that the US will be involved in a war in Taiwan, with those risks attached to the fact that you have two nuclear powers involved in a direct confrontation. Therefore, I think that will continue to sort of compel China to think twice before launching an attack against Taiwan.

What I see, and I agree with Wang Jisi on that, is that it is more likely that China will continue with what has been called its Grey-Zone strategy of coercion against Taiwan than to start a full-fledged invasion of Taiwan.



Now, the problem with the Grey-Zone strategy is that it is not without risks and what I am worried about, of course, is that – I think it was alluded to by Jisi – is the fact that the Grey-Zone strategy can get out of control. Imagine if the PLA air force enters Taiwan's airspace – the Taiwanese fighters would have to scramble to force these fighters to move out of the airspace in one way or another.

There are risks of incidents, and even of military crises. The big question is how both Taiwan and China, first of all, will be able to manage that crisis. There is no channel of communication now between mainland China and Taiwan because China has refused to talk to Taiwan – and that is a real issue.

On Taiwan, there is a growing Taiwanese identity, which means that everyone is favoring independence – but I think the idea is that Taiwan is not the PRC. It is another entity which has an official name, which is Republic of China; and even if it is recognized as a nation state, it is a de facto state. I mean, we have to admit the reality that actually, even if there is one China, there are two states or two governments, which should interact on an equal footing.

Even if the KMT comes back to power in Taiwan, I do not think that the issue will be solved because everyone in Taiwan is against the idea that Taiwan becomes a special administrative region of the PRC. Taiwan has never been part of the PRC, so it will, I mean, both sides will have to negotiate another deal – and, here, I think it would be much more productive on the part of China to open a channel of communication with Taiwanese authorities, whoever sits in the Presidential powers in Taipei, but we are far from it.

If there is a role of 'honest broker' that the US could play, it is to sort of convince China to talk to the authorities in Taiwan, whoever they are.

### **John Andrews**

It was Renaud who mentioned the Thucydides trap and, I mean, Graham Allison, of course, says it is not inevitable but it is likely – which I think is rather worrying.

### **Jean-Pierre Cabestan**

Yes, but the fact that we are having two nuclear powers, I think it is a disincentive for...

### **John Andrews**

It should sober people up.

### **Jean-Pierre Cabestan**

However, we do not know because that was true at the time of the old Cold War. Whether it will remain true in the new Cold War, it is another story.

### **Douglas Paal**

From your two responses, I get that you would say 60% unlikely there will be an attack on Taiwan – but there are enough unusual circumstances and potential conflict opportunities that it might be 40% lead us into an undesired conflict.

**Renaud Girard, Senior Reporter and International Columnist at *Le Figaro***

Je ne pense pas du tout qu'il va y avoir, comme nous l'a dit notre collègue chinois, une attaque dans le futur proche, et pour plusieurs raisons.

La première raison est que cela ne correspond pas à la stratégie chinoise. La stratégie chinoise consiste à gagner la guerre sans bataille et à arriver à un moment où la flotte chinoise sera si considérable que les Taïwanais eux-mêmes diront : « D'accord. On va s'incliner devant Pékin ». Et les Chinois de Pékin répondront : « Mes chers amis, mais bien sûr, vous pouvez garder votre autonomie et vous gérer vous-mêmes. » Je pense que c'est cela, la stratégie chinoise.

Les Chinois sont des commerçants, et non pas des guerriers. Lorsqu'ils ont voulu jouer au guerrier, cela s'est très mal passé. C'était contre le Vietnam, en 1979, quand ils ont voulu donner une leçon. C'est plutôt le Vietnam qui a donné une leçon à la Chine. Je pense que ce n'est pas leur idée. Ce sont des commerçants et ils veulent protéger leur commerce.

Ils savent très bien que s'ils attaquent Taïwan, il y aura des répercussions et des sanctions considérables. Ils les évitent. On peut me contredire ici, mais j'ai remarqué que les grandes sociétés chinoises – je parle des grandes sociétés –, qui ont très peur des sanctions de Washington et de Bruxelles, respectent les sanctions qui ont été décidées contre la Russie sur la guerre d'Ukraine.

Évidemment, une attaque de Taïwan serait possible. Quand serait-elle possible ? Quand les Américains auraient la tête ailleurs. On a déjà eu ce phénomène avec la Turquie qui a pris près de 40 % de l'île de Chypre, à l'été 1974. Pourquoi la Turquie a-t-elle pu prendre, comme cela, 38 % de l'île de Chypre ? Parce que le pouvoir à Washington était complètement paralysé ce jour-là par l'affaire du Watergate.

Je pense que si les Chinois attaquaient Taïwan, ils le feraient, par exemple, pendant une élection américaine, une élection contestée ou quelque chose comme cela. Mais, aujourd'hui, cela ne me semble pas être leur politique. Il me semble que leur politique première, mais je peux me tromper, consisterait avant tout à protéger leur commerce.

**Douglas Paal**

Thank you for introducing those factors, Renaud. Listening to Jisi and all of the conversations and thinking about, you say we do not know Xi Jinping after 10 years in office – well, if we do not know him after 10 years, I am worried because we ought to know something about the man by now.

It strikes me...

**John Andrews**

Yes, but I do not think he has had any single interview with...

**Douglas Paal**

Oh, he will not.

**John Andrews**

...a lengthy interview – exactly.

**Douglas Paal**

No, that is not going to happen. However, I would propose this is a good time if China wants to change its tactics. We are seeing, in various subtle ways, China pulling back on its aggressiveness in the South China Sea, the Senkaku Islands. They are not changing fundamental positions, but they are being less aggressive. Maybe that will be true on the Indian line of actual control as well, I do not know at this point.

For me, it would be a great time for China to show some tactical flexibility. If Kevin McCarthy shows up in Taipei with a delegation, China says, 'What? Another Speaker of the House shows up? Who cares?'

Secondly, China can quietly begin to recommence communication with Taiwan's authorities – send some faxes with their former contacts who were in regular contact with the mainland before Tsai Ing-wen got elected as President.

China could lower the temperature a lot during this crisis, to head off a crisis in the time ahead, if it wants to think creatively. Hye Min, do you have a point? I want to turn to the audience in a couple of minutes, so please be brief.

**Lee Hye Min**

Yes. I think, you see, this year, the US has made two very important declarations regarding China. One is made by Janet Yellen, US Trade Secretary, in April, that the US will pursue free but secure trade with friendshoring. It is a very significant declaration. That means the US will not address China issues within the context of WTO.

The second important declaration was made in October by US National Security Strategy, which designated China as the only competitor which has both intent and capability to reshape international order.

It was preceded by a sweeping ban on sales of chips to China a week earlier. Thomas Friedman of the *New York Times* described that it is a de facto declaration of war of the United States against China.

However, I would like to draw your attention that US rhetoric is very strong, but with regard to IPF, the Cold War strategy of the US Indo-Pacific strategy, Indo-Pacific economy framework, the US has not invited Taiwan.

IPF is de facto FTA negotiations minus market access. However, it is an FTA which is totally legal under the WTO – even if the US invited Taiwan because, since the FTA is negotiated under the framework of the WTO, WTO membership is not for sovereign states. It is for customs territory.



Therefore, it is totally legal for the US to include Taiwan in IPF, but they do not. They instead pursue bilateral trade and investment agreements with Taiwan, which I think the US is mindful of the red line with regard to Taiwan by China.

The US strong rhetoric against the possibility of China's aggression to Taiwan is to deter China's aggression into Taiwan, I may suspect.

Thank you.

### **Douglas Paal**

Samir?

### **Samir Saran, President of the Observer Research Foundation of New Delhi**

Two short points, and I think you can go to the audience. The first – I am really worried when very wise people around the world somehow assume that Xi is a very rational and sane actor. There are no data points to prove that. Nothing that he has done since he has taken charge would lend you to believe that you are dealing with someone who is rational and mature – yet we are painting him in the colors of great wisdom.

### **John Andrews**

Well, he did have wolf warrior diplomacy.

### **Samir Saran**

Yes, so that is quite wise. If that is the data point that makes you believe that he is a wise actor, I am worried. Now, that is one part of it. I think let us not be premature in our assessment that we are dealing with someone who is wise and sage and will bide his time. He is not interested in biding his time anymore. I think that is the only single message that is coming out of Xi's China. No need to hide; no need to bide. It is time to stake claim and it is time to reshape the politics of the world.

I think that is the single message. If you are not hearing it, then I want you to come to some conferences we host in Delhi and start hearing that – because I think some of us do not get the message. That is number one.

Number two – and this is important – I think forget about Taiwan. The question should be what do you do when China decides to change the territorial map of any country in the world? I think that is the question you should ask.

They gave you a fait accompli in the South China Sea – what did you do? They disregarded the tribunal verdict – what did you do? They decided to change the map of the Himalayas – what did you do? You told us, 'Trade more with China. Have a dialogue'.

If I was Taiwan, I should be very worried. None of your behavior should give any sort of confidence to Taiwan that there is going to be any sort of response from any quarter. You will tell Taiwan, 'We will have a new trade deal with you. Join them'. I suspect that is going to be the voice coming out of Europe because that is what we heard.

Now, I am not even going further west – ask the Afghanistan folks what they think about believing in anyone who believed that they were going to create order and value-based foreign policies. You threw them under the truck.

In primetime television, who in that part of the world is going to rely on any sort of – anyway, sorry.

### **Douglas Paal**

Thank you for those two interjections. Now, we are ready to take questions from the audience. I hope the microphones are ready. We have questions here in the front row. This hand has been up for a while, so first here; then there.

### **Zaki Laïdi, Personal Advisor to the High Representative and Vice President of the Commission EEAS**

Thank you. My name is Zaki Laïdi. I am Special Advisor to the High Representative of the European Union.

I do believe that it is quite naïve to think that China will never use force because they are from a merchant tradition. Apart from that, I wanted to hear from our Asian colleagues their reading on the October 7 decision taken by the United States – which we regard in Europe as an extremely, extremely, extremely important declaration, with huge implications.

First, because the impact is wide. Fundamentally, the United States is trying to replicate the Huawei model to the whole semiconductor industry. It had been done largely on a unilateral basis, and the point in common that we have with the Japanese is that one of the firms, like our Dutch firm ASML, is largely concerned by the decision.

I did not read precise assessment on this, so I would be really happy to hear about the assessment you made in all three countries on this decision – which, in my view, is one of the most fundamental decisions taken by the administration on the line of the Trump administration.

Thank you.

### **Douglas Paal**

Thank you for that question about Tom Friedman's declaration of war. We have a question here; and then one across the room.

### **Philippe Chalmin, Founder of Cercle Cyclope, Professor at Paris-Dauphine University, Consultant for various International Organisations (OECD, EEC, UNCTAD)**

Une question : curieusement, nous n'avons pas parlé de Hong Kong. Est-ce que la cause de Hong Kong est totalement oubliée ? Est-ce que la messe est complètement dite ? C'est ma première question pour Jean-Pierre Cabestan. La deuxième est peut-être plus une remarque pour notre ami chinois. La Chine est confrontée à un recul économique majeur, parce que je prends l'hypothèse que 4 % de croissance en Chine, c'est l'équivalent de la croissance 0 pour nous à peu près. Est-ce qu'il n'y a pas quand même un risque que face à cet, presque, échec



économique, il y ait une montée en puissance d'un discours nationaliste ? Et comme l'a dit notre ami indien, il n'est pas du tout sûr que Xi Jinping soit aussi rationnel que nous ne le pensons.

### **Douglas Paal**

One more question across here, end of the row.

### **Mohamed Laichoubi, Ambassador of Algeria, member of the Royal Academy of Spain, former Algerian Minister**

Sans remettre en cause la justesse du sujet, en l'occurrence la rivalité sino-américaine, vous me permettez de me poser, en votre présence, des questions. En fait, le sujet essentiel est aussi les nouveaux mondes qui viennent. Réduire l'intégralité de la dynamique des changements actuels à la seule rivalité sino-américaine est, à mon sens, frustrante pour tout le reste. Cela veut dire que dans l'inconscient des gens qui l'abordent, le monde qui vient va toujours être un monde de rivalité et de domination. Donc très sympathique pour l'intégralité des autres pays. Mais au-delà de cette problématique, quand on s'intéresse de très près aux grands acteurs, d'abord à l'acteur américain, il emporte avec lui son monde, sa vision, sa philosophie, son espace financier. Il a évolué. Il se pose des questions. Il essaye de rebâtir d'autres alliances. Il projette. Donc c'est déjà un monde. C'est un système monde, le G7. En face, les Chinois sont loin d'être inintelligents. Eux-mêmes ne réduisent pas leur évolution à la seule rivalité sino-américaine. Eux se posent la question si face à un système monde, ils peuvent, à eux tous seuls, prétendre le remettre en question. Et que font-ils ? Ils essayent de structurer un nouveau monde. Quand on s'intéresse à la route de la soie, la réduire à une seule dimension commerciale, c'est méconnaître totalement la pensée politique des uns et des autres. Ils savent et ils ne sont pas les seuls, que face à un monde, essayer de triompher ou de faire basculer, il faut un autre monde. D'où, d'ailleurs, les instruments des uns et des autres qui s'appellent « embargo », qui s'appellent « contenir », etc. Et, à mon sens, s'intéresser au monde qui vient, aux stratégies développées par les uns et les autres pour mieux comprendre les évolutions qui viennent et quelles sont les stratégies des acteurs serait certainement plus opportun. Je vous remercie.

### **Douglas Paal**

We have three questions which is the October 7 decision, which is very Trumpist-like from the Biden administration to constrain China's future high-tech growth. Is China getting weaker; or is China going to dictate the world order?

Last weekend, there was a conference in Washington, where the Secretary of State Blinken spoke and he said that, 'China is now so strong, we have to worry they are going to try to take over Taiwan'. A few hours later, his deputy spoke and said, 'China is so weak now, we have to worry they may want to come and take over Taiwan'. We have got full circularity on our thinking about how to deal with it.

Our questions give the panel a chance to respond. Do any of you want to speak? Jisi, there was a question directed to you as well. Would you like to go first?





**Jisi Wang, President of the Institute of International and Strategic Studies at Peking University in Beijing, Peking University Boya Chair Professor**

Yes, but I do not speak, I do not understand French, so I did not get the questions to me. Anyway, I would intervene by saying, first of all, there is a great deal of concern in China when you compare Ukraine with Taiwan. To all the Chinese, Taiwan is part of China. Ukraine is a sovereign state. Whatever we do to Taiwan, it is our domestic affairs. Whatever we do is legal and legitimate, so that is why we do not take Taiwan and Ukraine together. This is, of course, the official position and also the public sentiment. That makes some sense.

The problem is, of course, most people in most countries in the United States recognize one China and Taiwan is part of China. There is a great distinction between US position and US/Chinese position on this issue. That is the United States has a 'One China' policy; and we say we have a 'One China' principle. The difference is whether Taiwan is part of China.

The US 'One China' policy says they actually formally recognize the PRC as representative of China and there is only one China. However, what is Taiwan? It does not say. It is sometimes very ambiguous about this.

Another problem we have to worry about is that there is a very strong military commitment made by the United States in defending Taiwan. The United States does not, and did not, make such a commitment to Ukraine. That is also a very meaningful difference.

**Douglas Paal**

Thank you, Jisi. I think you also touched, in your earlier remarks, on the difficulties of overcoming Covid; Omicron; challenges inside China; and the challenges to the Chinese economy's growth in the current period – which I think partly addresses the question that was addressed to you.

Now, to the October 7 and other issues – please, panel.

**Yuichi Hosoya, Professor of International Politics at Keio University in Tokyo**

May I? Yes. Relating to realignment of supply chain in the region, I think that many Japanese business companies are now thinking about several important factors. Number one – the Chinese population is shrinking while the United States and India population are expanding. This is a new trend.

The other thing is that the domestic politics in China becomes much more unpredictable than before. This is number two.

Number three is there are some economic risks in the United States, not just in China. It means that, as long as the United States Government or the Congress is introducing more legal actions to try to decouple the area, I mean, that is why Japanese business companies need to consider these new risks to export goods to the United States.

Because of this, I think that more and more Japanese business companies are now diversifying the direction of Japanese investment in other countries, particularly in Indonesia



and India, together with other countries. This is a new trend, even though China remains a really important Japanese trading partner.

However, relatively speaking, I think that the Japanese business companies are now diversifying its trading strategy unlike before, considering a very calm reaction to American decoupling policy which introduced more legal actions to try to decouple the two economic blocs.

### **Samir Saran**

Can I just very quickly respond to your question? I think it is an important question that you asked.

If you were to remove Xi Jinping era and go back, say, 10 years, you would find much of India's anxiety centered around American control of critical sectors that could be inimical to our growth in the future – and it is a fact. Whether it is the control of the ICAN; whether it is control of some of the key electronic and energy supplies – that was true.

Today, because of the behavior of Xi Jinping, there might be a tendency for some to see this as a good political choice to make; and perhaps see the US as the lesser of the problems vis-à-vis what China offers today.

However, for a country of our size, where I am sitting, I think we will have to diversify and we will have to build some of our own capabilities alongside. I think, for us, having anyone control the single most important vital ingredient for our economic growth, and having only one source as an option, is not very comfortable.

Like I said, go back 10 years and Indian anxiety would be about best in control in key imports. Xi Jinping comes in, and suddenly we start seeing the world in a different way. However, on a longer term, I agree with my Japanese colleague – diversification; investments into multiple different geographies; and building certain critical capabilities for countries that have size and scale is vital.

### **Lee Hye Min**

Yes, I think Korean companies are very mindful of the US sanctions, especially the October 7 sweeping ban on chips sales to China – definitely. Korea will abide by US sanctions and relevant laws and regulations.

However, in view of the fact that China is the largest market of the world, Korean companies will not give it up. Therefore, Korean companies, from now on, will be in China – but only just for China. They will not use China as a hub for exporting to certain third countries.

### **John Andrews**

Jean-Pierre on Hong Kong.

### **Douglas Paal**

You, on Hong Kong? Yes, very quickly, please.

**Jean-Pierre Cabestan**

Very briefly, I would say from a political point of view, it is game over. I do not think there is any meaningful political life in Hong Kong anymore. Therefore, I think it is the Communist Party and its local representatives, the so-called Hong Kong Patriots, who are running the place.

That does not mean that Hong Kong is totally aligned to China in terms of public freedoms. We still have free access to the internet. I think we see more academic freedom than on mainland China, but it is part of China and I think that the Communist Party is very much in the driving seat in Hong Kong now.

**Douglas Paal**

Thank you, and thank you, audience, for staying with us. Please join me in thanking our panel for their observations.