

How to Avoid and How to Prepare for Taiwan Unification, Amid the Escalating Sino-American Conflict?

By Masakazu Toyoda

More than a year has passed since Russia invaded Ukraine by force. Watching so many civilians being killed every day, one wonders if this is an acceptable new post-war world. Despite the fact that Russia is in clear violation of international law, we seem to be helpless with our current international system where neither the United Nations, the G7, nor the G20 can stop Russia's barbaric actions. Moreover, many experts are pessimistic about an early resolution of the conflict, believing that it may very well continue for some time in the future. We must remind ourselves that it was Pax Americana, not the United Nations, that maintained and managed the post-war international order but with the current US-China power shift, however, the Pax Americana has broken down.

Looking back in time, it is obvious there has been a growing and deepening conflict between the US and China, with rising tensions over the future of Taiwan. Chinese President Xi Jinping said recently that "unification with Taiwan must be fulfilled". As he considers Taiwan as one of China's provinces or states, the unification is presented as a historic mission to simply resolve a domestic issue. "The unilateral destruction of a democratically elected stable polity regime is clearly contrary to the rule of law, which affirms fundamental human rights and human dignity in the UN Charter articles". Therefore, in response to President Xi Jinping, the US President Biden has said that he will support Taiwan, even if it means using force.

With such background, what should Japan do? The situation is critical enough for Japan to prepare and act with the very survival of the nation at stake. First, it should focus its efforts on avoiding such a serious situation. Second, it must prepare for the unfortunate eventuality that it cannot be avoided.

About avoiding the situation, the first measure is to 'investigate Taiwan's contingency scenarios and prepare for any scenario' that could lead to deterrence. Strengthening the military is part of this preparedness, namely more argument for doubling Japan's defense spending. The Pax Americana, which supported the post-war period, is over and the world can no longer rely on the US alone. Through close collaboration among US, Japan and Taiwan we must be prepared to militarily confront China's use of force.

The second way to prevent the situation is to 'strengthen cooperation among allies and friendly countries', including the Japan-US alliance and cooperation through QUAD and AUKUS. QUAD is a framework for cooperation among four countries which share fundamental values such as freedom, democracy and the rule of law (Japan, the US, Australia and India). AUKUS is a trilateral security pact between the US, the UK and Australia with a focus on security for the Indo-Pacific region.

The third approach to conceivably avoid the situation is by 'promoting an understanding of mutual concerns between China and Japan'. This means working together to tackle common issues such as climate change and population ageing, as well as promoting exchanges of people between the two countries. It is important to exchange personnel not only from a political, business or government point of view, but also to increase opportunities for young people to exchange and learn from each other, including students. The

resumption and expansion of tourism between the two countries, which had dramatically slowed down under the Corona disaster, is also urgently considered necessary.

It is also important to prepare for the eventuality that the unification cannot be avoided.

The first of the preparedness measures is to 'maintain and strengthen Japan's strategic indispensability'. While promoting research and development of advanced key technologies in various fields (including security, etc.), efforts must be made to prevent the leakage of those key technologies through a free flow of personnel or corporate acquisitions. It is imperative to ensure that Japanese products and technologies remain indispensable and proprietary on an ongoing basis.

The second preparedness measure is to 'strengthen the supply chain'. As China's GDP is almost ten times that of Russia, many countries, including Japan, are now major trading partners with China. If economic sanctions are imposed on China, not only China but also the sanctioning countries will face severe economic damage. For example, China is an important market for Japan and many of the items in the supply chain are not only high-tech products, but also include raw materials and other products. It is therefore necessary to restructure the supply chain, by diversifying and decentralising the manufacturing bases. As part of this restructuration, it is necessary to avoid too much dependence on China and assess the importance of the Chinese market relative to other markets. For example, the multi-polarization of companies' overseas investment destinations must be revisited. To this end, it is important to expand, as government support measures, the Official Development Assistance (ODA) to ASEAN and India and to provide extensive support in both hard and soft aspects in order to improve the investment environment for Japanese companies in these countries.

The third important preparedness measure is to develop a contingency plan to 'ensure the safety of Japanese nationals residing in the Far East'. It is necessary to plan for an event that cannot be predicted with certainty. A Taiwan contingency will inevitably become a Japan contingency. It is essential to prepare for an early evacuation and provide a safe return to Japanese nationals. If the evacuation cannot be done in advance, Japan must also be prepared to take all possible actions (including military actions if necessary) to ensure it happens.

There are various other avoidance and preparedness measures, but with both policies in mind, Japan needs to further strengthen its public-private intelligence. In addition to the enhancement of foreign intelligence governmental agencies, which is a natural step, companies also need to improve their ability to analyse and evaluate, in a centralised manner, their information collected from overseas networks. Companies should incorporate that information in their economic activities.

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