



Discussion Report Talking ASEAN Webinar

on

Assessing the Impact of Pelosi's Visit
to Taiwan and Exploring the Role of ASEAN
on the Cross-Strait Relations

Jakarta, September 7th 2022



Introduction

The Habibie Center (THC) convened the 4th Talking ASEAN Webinar on 7 September 2022. Entitled “**Assessing the Impact of Pelosi’s Visit to Taiwan and Exploring the Role of ASEAN on the Cross-Strait Relations,**” the webinar invited three speakers—**Malcolm Davis** (Senior Analyst, Australian Strategic Policy Institute), **Drew Thompson** (Visiting Senior Research Fellow, Lee Kuan Yew School of Public Policy, National University of Singapore), and **Benjamin Ho** (Assistant Professor, S. Rajaratnam School of International Studies) and was moderated by **Marina Ika Sari** (Researcher of ASEAN Studies Program, THC).

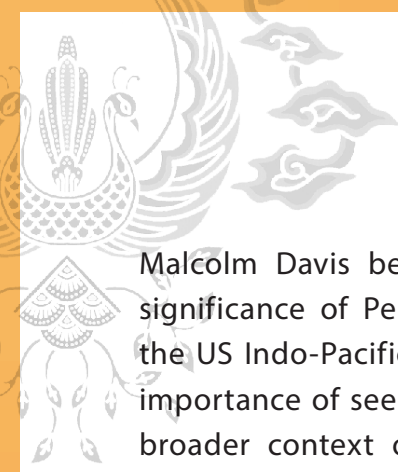
The objectives of the webinar were to: (a) analyze the recent tension in Taiwan Strait post-Pelosi’s visit to Taiwan; (b) assess the potential implications of the China-Taiwan tension to the ASEAN Member States (hereinafter AMS); and (c) explore the potential role of ASEAN in facilitating peaceful dialogue between China and Taiwan.

This discussion report summarized the key points of each speaker, as well as the following questions and answers session.

PRESENTATION FROM THE PANELIST



Malcolm Davis
(Senior Analyst,
Australian Strategic Policy Institute)



Malcolm Davis began by addressing the significance of Pelosi's visit to Taiwan on the US Indo-Pacific strategy. He noted the importance of seeing the event within the broader context of intensifying strategic competition between China and the US. Taiwan was deemed to be the most likely flashpoint if conflicts were to occur. Predictions on when the conflict might eventuate ranged from the second half of this decade to the early 2030s.

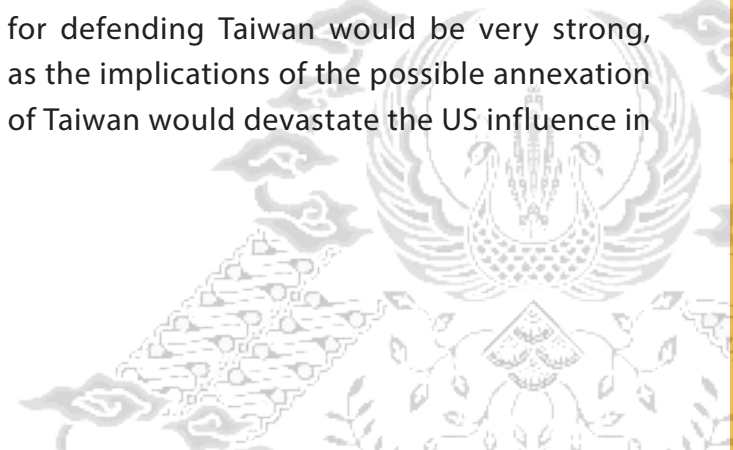
Acknowledging China's increasingly assertive posture in the Indo-Pacific region, Davis assessed that China desired to eventually establish a Chinese sphere of influence—what Beijing calls a “community of common destiny”—by ending the US' strategic primacy and eliminating its presence within the region. This would contribute to achieving the “China Dream” by 2049 and returning China to a dominant position at the global and regional levels. Unification with Taiwan would be an important part of this process. Davis noted that the vast majority of Taiwanese saw themselves as Chinese or a part of China, rejecting the 1992 consensus which defined China's terms on unification and taking examples from Xinjiang, Tibet, and Hong Kong.

Against this backdrop, Davis argued that Pelosi's visit reinstated the US' support for Taiwan as a liberal democracy, as well as affirmed Taiwan's position as an alternative model for governance and growth for the

Chinese people. This pointed to the need to support the freedom of 25.3 million Taiwanese to choose their own path. Simultaneously, this might raise the possibility of conflict as China had maintained the One China policy.

Davis deemed the strategic ambiguity that the US had maintained in the past might no longer be as effective in today's context, as Xi Jinping's China had demonstrated the intent to use force to take Taiwan by “all necessary means.” Given the vast majority of the Taiwanese people no longer sought unification with China, Davis opined that China would be more likely to materialize such intent by the end of this decade or sometime early in the next decade. China had also developed military capabilities to facilitate Cross-Strait invasion. PLA's modernization was deemed to be on the track to be able to undertake the invasion by 2026 or 2027—the latter option would coincide with the 100th anniversary of the PLA.

Pelosi's visit posed a challenge to Biden and his subsequent administrations on whether strategic ambiguity best serves the requirements for effective deterrence of an attack by China on Taiwan. Davis also noted the importance of considering whether deterring potential attacks by China would be better addressed through a more upfront posture on Washington's willingness to defend Taiwan. He maintained that the case for defending Taiwan would be very strong, as the implications of the possible annexation of Taiwan would devastate the US influence in





SPEAKERS

Malcolm Davis

Senior Analyst, Australian Strategic Policy Institute




the Indo-Pacific region and for the future of a Free and Open Indo-Pacific (hereinafter FOIP) in general.

Pelosi's visit reinforced the case for moving beyond strategic ambiguity and would put Taiwan at the center of the upcoming Congressional mid-term election. Reconsidering strategic ambiguity would be regarded as correct only if it would enhance deterrence against China and reaffirm rejection of China's use of force against Taiwan. Moreover, Davis viewed that the visit should prompt the US and its allies to provide greater assistance for Taiwan against future possible China invasion or threats. He stated that ambiguity would weaken deterrence against China and motivate China to use its force sometime later in this decade. Davis noted that Pelosi's visit shifted the understanding that the static

nature of the Taiwan issue—as a consequence of reliance on strategic ambiguity—created opportunities for the US and its allies to develop greater multilateral ties and enmesh Taiwan within FOIP. This would pose greater difficulties for China to actualize its intent to annex Taiwan and ultimately strengthen deterrence.

With respect to the US' response to China's military drills near Taiwan after the visit, the former's immediate response was quite muted due to the lack of a militaristic response. He contrasted this approach to Washington's response to the 1996/7 Taiwan Strait Crisis, representing an acknowledgment on Biden's side that the current PLA Naval and Air Forces were far more capable than they were in the past. From Beijing's perspective, Davis argued that Pelosi's visit served as an opportunity



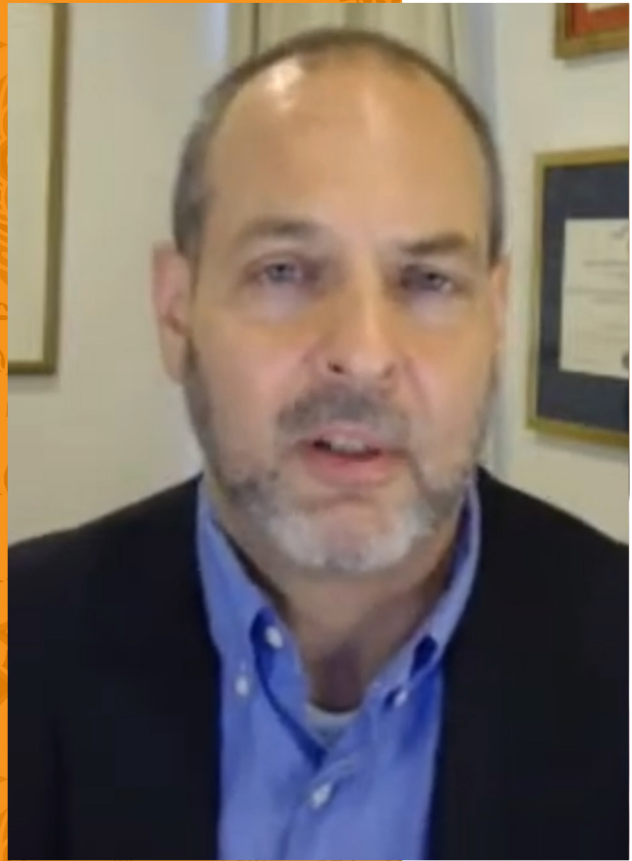
to normalize their use of force and would allow China to escalate the tension in the case of future invasion, ultimately changing the military dynamics surrounding Taiwan in its favor.

Davis highlighted recent developments of China's military facilities to allow for air incursions into Taiwan's Air Defense Identification Zone and expand them across the median line. China had also continuously challenged the limits of Taiwan's offshore territories, to which Taiwan responded by shooting down one of the Chinese drones. He reinstated Biden's rather muted response, although he was sure that internal discussions had been underway, as exemplified by the US\$1.1 billion arms package for Taiwan. In addition, he highlighted the importance of Biden's declaration of Taiwan being a major non-NATO ally, further justifying future military support from the US to Taiwan.


He concluded that the challenge for the Biden administration—and his successors—would be reinforcing Taiwan's ability to practice deterrence by denial. This would be possible by providing advanced defense capabilities in order to raise the cost of invasion to a level that would be unacceptable for China. Another challenge was the question of maintaining or foregoing strategic ambiguity as the basis for US policy towards Taiwan. He also recommended enhanced partnerships in the Indo-Pacific, especially with Australia,

Japan, South Korea, India, and the ASEAN states, for a more coherent posture towards Taiwan and to reinforce deterrence against China's use of force. Should deterrence fail, these partnerships should be advanced to facilitate joint exercises. Most importantly, imagining how the conflict would look in a scenario wherein the US and its allies decided to use force in a future Cross-Strait crisis. It would be important to define the US' goals and terms of victory, as well as what the US and its allies should be prepared to do to prepare for such a conflict.

PRESENTATION FROM THE PANELIST



Drew Thompson
(Visiting Senior Research Fellow,
Lee Kuan Yew School of Public Policy
at the National University of Singapore)



Drew Thompson started his presentation by arguing that Pelosi's visit should be understood as a part of a continuum of the US support for Taiwan. This support—which evolved and adapted to the changing nature of China's pressure and aggression—could be traced back to World War II when the Republic of China (hereinafter ROC) was invaded by Japan. Its long history was emblematic of the long-standing nature of Washington's support, and Pelosi's visit was only one point on its long timeline.

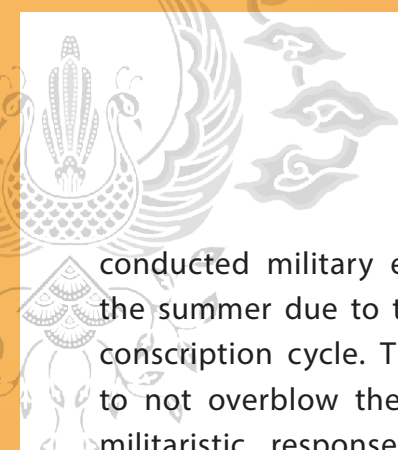
Thompson noted that one key point of Pelosi's visit was a much greater awareness warranted of Beijing's decades-long military pressure against Taiwan. This pointed to the essential objective of the US' Cross-Strait policy was to provide Taiwan with sufficient reassurances to allow the Taiwanese themselves to negotiate a peaceful settlement with Beijing on terms that would be satisfactory for the people of Taiwan. Thompson drew attention to Jack Sullivan's (US National Security Advisor) statement that the US "will continue to push back against any effort to change the status quo by force," which expressed the nub of the US' interest and strategy.

Aside from noting that the US approach was driven by interests, Thompson highlighted the importance of values in understanding the maneuvers the US had opted for in Taiwan, i.e. prioritizing arm sales, state transits, and demonstrations of support and reassurance. Values would also explain why the US did not pursue a more pragmatic approach to reduce

tension, notwithstanding Beijing's current reactions. He reminded us that these tensions had been long-standing, multigenerational, and part and parcel of China's military buildup being the largest since World War II, providing an alternative to views that antagonized and blamed the US and Pelosi's visit for the rising tension. Taiwan had been the primary focus of PLA's modernization efforts. Moreover, China's defense spending has rapidly increased on average by 10% every year over the last twenty years, bringing its annual increase this year to an astounding amount of US\$ 28 billion. These developments implicated China's intent to use force against Taiwan.

Exacerbating these trends was China's willingness to use all forms of coercion—diplomatic, economic, information, and military—compelling the US to respond in the form of providing additional reassurance to Taiwan. From a congressional perspective, the Taiwan issue is a bipartisan issue. Thompson noted that the US Congress had fewer tools to reassure Taiwan, two of which are visits and legislation, the latter being a big agenda item in Washington with the new Taiwan Policy Act.

Thompson also argued that the US' current approach signaled its resolve to stand up to China to both Taiwan and its allies, ultimately emphasizing the militaristic consequences of Pelosi's visit. In this respect, China's military response had been the most dominant and visible, explaining the form of attention granted by people in Southeast Asia. However, he emphasized that China regularly



conducted military exercises, particularly in the summer due to the weather and China's conscription cycle. This suggested the need to not overblow the significance of China's militaristic responses, as the aspect that changed was primarily China's signaling, messaging, and propaganda around these responses.

In addressing the importance of these developments for Southeast Asia, Thompson noted that Southeast Asian states had considerable interests in Taiwan, as well as an underlying interest to prevent the use of force in settling disputes in the region. He opined that Southeast Asian states had been unwilling to invest political capital to assert those interests, which he took to be understandable due to their conflicting interests with China, especially in not being pummeled by Beijing. Thompson ultimately asserted that Southeast Asian states faced political, economic, and security risks, which would greatly increase in the scenario of a Cross-Strait conflict.

From a political perspective, the use of force to settle disputes would be inconsistent with the interests and values of Southeast Asian states, especially vis-à-vis the principles encapsulated in ASEAN, the Treaty of Amity and Cooperation (hereinafter TAC), and the 2002 Declaration on the Conduct of Parties in the South China Sea. Another key political factor would be Taiwan's geopolitical location, where critical trade routes connecting Northeast and Southeast Asian economies were located.

With regards to economic factors, Taiwan was an important economic actor, being the 23rd largest economy in the world, a critical link in the global supply chain, as well as a significant trading partner with and investor in Southeast Asian states. A conflict over Taiwan would disrupt business relations, commercial sea lanes, and economic growth in Southeast Asia. Thompson also noted the possibility of rising costs, shortages, wide-scale inflation, and, ultimately, general economic uncertainties.

Economic factors would also cross paths with political ones in issues on migrant workers, due to the significant number of Southeast Asian migrant workers in Taiwan which could potentially increase post-COVID-19. With over 700,000 Southeast Asian citizens living and working in Taiwan, the implications would be significant to Southeast Asian states, bearing in mind the potential loss of income, remittances to their respective home countries, and the physical threats of being in a war zone. On top of that, the highly contentious environment could pose great difficulties to evacuation efforts.

Security risks would also be substantial, as a Cross-Strait conflict would undoubtedly draw the Southeast Asian states into the conflict. The six exercise zones announced by China at the onset of Pelosi's visit included the economic zones of Japan and the Philippines. The Southeast zone was only 22 nautical miles from the Philippines' closest island and 10 miles from its territorial waters, indicating the proximity between the theater of conflict and



the Philippines and other contested parts of the South China Sea, highlighting the potential of spillover to Southeast Asia. It should also be noted that China's launch of four missiles into the South China Sea in August 2022 was not followed by any response or explicit acknowledgment from ASEAN, indicating the reluctance of Southeast Asian states to stand up to China when their own interests were being impinged.

To comprehend whether ASEAN would play a role in the Cross-Strait issue, Thompson argued that the Southeast Asian states had largely decided to not play any role. Their policy positions towards Sino-American competition were often articulated in the negatives, expressing what they would not do amidst the competition. These expressions implied their wish for the conflict to not happen. However, he cautioned that without a proactive agenda, merely calling on all sides to reduce tensions would not be influential. This pointed to the minimal influence ASEAN had on the issue, which did not necessarily negate ASEAN Centrality. However, confusion over the notion of ASEAN Centrality should warrant a better articulation from the ASEAN side on what the concept would mean, as well as what it would speak about ASEAN's limitations and affirmative policies in the face of the possibility of conflict. For instance, he argued that it should be clear that ASEAN would not have the intent to enforce the principles in TAC.

Thompson ended his presentation by offering a counterargument to Davis's point on strategic ambiguity. He stated that ending strategic ambiguity would not necessarily change China's calculation nor would it help the US' positioning. China already presumed that the US would intervene unilaterally, an understanding affirmed by Pelosi's visit. Moreover, he viewed that strategic ambiguity had worked in the US favor, especially if one would consider the necessary tools to manage Taiwan. It would be important to prevent Taiwan from reverting to populism, especially as the Taiwanese population increasingly identified themselves as distinctively Taiwanese, ultimately going against China's interest in ensuring a peaceful unification. By convincing that the US support would be conditional upon Taiwan's will to not antagonize China, strategic ambiguity should still be valuable. This approach should also be important in ensuring that Taiwan would invest in its own defense, bearing in mind that Taiwan had yet to increase its defense spending appropriately amidst growing threats from China's military modernization. The US should reconsider its unambiguous support for Taiwan which he viewed had encouraged Taiwan to underfund its defense capability. An element would still be necessary even in a scenario wherein the US added clarity to its approach to Taiwan. Thompson concluded that strategic ambiguity should ensure that the US would not be dragged into a conflict unwillingly by Taiwan.

PRESENTATION FROM THE PANELIST



Benjamin Ho
(Assistant Professor at the China
Programme, S. Rajaratnam School
of International Studies)



To begin his presentation, Benjamin Ho stated that assessing the official stance of AMS on Pelosi's visit would be difficult, justifying his approach by focusing on newspaper headlines in the subsequent days following Pelosi's visit. He found that newspapers in six ASEAN countries—namely Brunei Darussalam, Indonesia, Singapore, the Philippines, Vietnam, and Malaysia—generally published headlines with rather neutral undertones. Meanwhile, more forceful headlines could be found in the rest of the member states—Cambodia, Thailand, Myanmar, and Laos. He highlighted that none of the headlines seemingly viewed the visit positively, affirming Thompson's argument that Southeast Asian states were largely unwilling to see Pelosi's visit in a positive light.

In addressing ASEAN's official response, he noted that the Joint Communiqué released during the 55th ASEAN Foreign Ministers' Meeting, which coincided with Pelosi's visit, did not make any reference to Cross-Strait relations. Owing to the sensitivity of the issue, AMS instead framed Cross-Strait relations in a much more ambiguous manner by emphasizing the need for cooperation, peaceful coexistence, stability, and security. Ho also observed that the Singapore MFA's statement indicated that ASEAN Foreign Ministers viewed Cross-Strait relations with concern. In general, he argued that ASEAN governments broadly viewed Pelosi's visit as unnecessary and comprehended that there was little strategic impetus behind the visit.

Ho argued that concerns over the visit pointed toward what he called the "ASEAN dilemma," which would occur when regional security and internal security clashed. For AMS and most countries in the world, Cross-Strait relations were viewed as China's internal matter, resulting in their unwillingness to be involved. Simultaneously, whatever would happen in and around the Taiwan Strait would not only be regarded as China's internal issue and would complicate regional security, reasoning the concern displayed by ASEAN ministers.

The dilemma also emphasized questions on the extent that the non-interference principle—as a sacrosanct principle in relations among Southeast Asian states—would be adhered to. Ho linked this dilemma to China's position as ASEAN's largest trading partner, as challenges to Beijing would inflict economic costs, which he argued must have entered Southeast Asian leaders' calculations. He referred to Bilahari Kausikan's (former Singaporean Diplomat) statement in response to the US strategic maneuver in the region, stating that there were more intelligent ways to give Taiwan the support that it needed. He argued that China's show of force might be regarded as an overreaction to the US' strategic choices in the region. The interplay between these responses, he pointed out, signified that observers and leaders in Southeast Asia understood that China's actions had yet to deter figures from the US, and even Europe, from visiting Taiwan. Moreover, in the weeks surrounding the visit, Western countries have continued to display their support for Taiwan, notwithstanding



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Benjamin Ho

Assistant Professor at the China Programme, S. Rajaratnam School of International Studies




China's reactions. These dynamics revealed weaknesses in China's political calculations which could be taken advantage of.

Ho foresaw three potential scenarios in how ASEAN could be situated in Cross-Strait relations. The first, and best-case, scenario would be a return to pre-Pelosi's visit status quo, which would give ASEAN the most room for maneuver. However, a new normal had been established, wherein diplomatic exchanges from Western countries increased and were followed by increasingly assertive challenges by China. The new normalcy would certainly be problematic, although he did not regard this as the worst-case scenario. He also cautioned China about overcommitting its forces to respond to parliamentary visits from other countries. In this regard, ASEAN would have to tread carefully to avoid being under

China's diplomatic control, as China would likely push ASEAN to explicitly take sides. China would want ASEAN states to be involved in responding to diplomatic visits to Taiwan.

The worst-case scenario would be an actual annexation by China which would possibly not be undertaken in a peaceful manner. Under this scenario, the US response could possibly range from retreating, providing military and moral support from afar, or actually defending Taiwan. In this respect, ASEAN would likely have to choose between the US and China, leaving little possibility for a middle ground.

In considering another possible route, Ho argued that peaceful dialogue might be unlikely to materialize if it were to involve all ten AMS. The possibility of an ASEAN-minus approach would undercut regional building



and multilateralism, ultimately jeopardizing ASEAN's regional building. These possibilities pointed to the impossibility to ensure a unified understanding from all ASEAN states.

Ho also considered the importance of moving beyond having ASEAN in the driver's seat and seeing ASEAN as a pivot point. By taking the driver's seat, the concept of ASEAN Centrality would be at the forefront, which would grant ASEAN the ability to set agendas. However, these agendas would be irrelevant to the actual issue or be driven by major powers. Alternatively, being a pivot point would entail a change in emphasis on credibility rather than centrality. This would entail a focus on the ASEAN's end to build credibility, both individually and collectively. In this respect, Ho saw credibility as eliminating overreliance on major powers, both within and beyond the context of Cross-Strait. What would be at stake was to what extent ASEAN states could freely make their choices without having to exclusively choose between the two major powers.

Ho finally argued that a one-size-fits-all solution should not be sufficient, as each party would have to decide for themselves how they would be positioned. He also observed that what a unified China would mean for AMS was still unclear. The role of the US and its allies would remain crucial for AMS. Moreover, he also raised the importance of considering what ASEAN could do to enhance its credibility on the international stage. Lastly, in clarifying his argument on having ASEAN as a pivot point, many of the calculations in the future would involve actions to balance both powers to achieve an equilibrium.



QUESTION AND ANSWER SESSION

Questions

Greg (Jakarta):

Some say that ASEAN's statement on the Cross-Strait development does not reflect the bloc's full support to Beijing as China anticipated, given that it only reaffirms AMS' One China Policy but not clearly condemns Speaker Pelosi on her trip to Taiwan, neither clearly recognizes China's claims over Taiwan.

Do you agree with this observation? If yes, what is the reason that makes ASEAN fail to do so? If no, what is your own take on this statement?

Responses

Malcolm Davis (Senior Analyst, Australian Strategic Policy Institute):

Davis cautioned against automatically defaulting to China's stance on Taiwan, i.e., the One China principle. He emphasized the importance of maintaining ASEAN's principle of having a peaceful resolution without having one side imposing its will on the other. He also reiterated his view that any resolution would have to meet the requirements of the Taiwanese people, instead of the contrary which would be unacceptable. He added that ASEAN should maintain a balanced approach, echoing the US and Australia's stance to allow for a peaceful resolution that would meet the needs of the Taiwanese people.

Drew Thompson (Visiting Senior Research Fellow, Lee Kuan Yew School of Public Policy, National University of Singapore):

Thompson reminded us that any policy decision would have a trade-off. For ASEAN, the benefit of not choosing sides would be not being trampled on by China, albeit that would certainly come with a cost. Not choosing sides would risk alienating China by not meeting its expectations. Amidst discussions on engagements between Xi Jinping and Biden, the Chinese Ambassador to the US reiterated that there would be no room for compromise on the Taiwan issue, putting ASEAN in a very difficult position and pressuring them to change sides.

In response to Southeast Asian scholars' arguments for not choosing a particular side, Thompson deemed that inaction might result in a unified Taiwan and China wherein the Taiwanese would not be satisfied with the terms under which it would occur. This form of unification would be imperfect and risk regional instability—a situation he predicted would be far worse than the current status quo with high coercive measures from Beijing. This posed the necessary question: could ASEAN afford to do nothing? He argued that preventing the use of force would be in ASEAN's interest, even if this would necessitate spending political capital or warrant some costs. The positive outcomes

should outweigh these consequences.

Thompson also questioned whether ASEAN had been or had the will to become an honest broker on the Taiwan issue. He also doubted whether ASEAN had the credibility and capability to become one, bearing in mind that the mere mention of “Taiwan” would not be possible under the purview of the organization. He admitted that ASEAN had the power to convene dialogues with external powers, owing to ASEAN Centrality. He referred to Ho’s point that fostering a balance of power under ASEAN would require intervention or action, both collectively and individually, which would be unlikely at this stage due to the member states’ preferences.

Thompson also brought attention to Secretary Blinken’s visit to the Philippines and meeting with President Marcos. He noted that President Marcos made some positive statements in response to Pelosi’s visit, noting that Chinese military coercion far predated her visit and her visit was not the proximal cause of the tension. Marcos also stated that Pelosi’s visit was a part of the US intention to reassure allies and partners. This affirmed the view that ASEAN states saw benefits in the US approach to Taiwan, centered around supporting allies and partners. However, these benefits might be viewed differently by other AMS, such as Cambodia and Laos, for instance.

Benjamin Ho (Assistant Professor, S. Rajaratnam School of International Studies):

Ho began his answer by raising the question of why there would be an expectation for ASEAN to be in full support of Beijing. This question held the assumption that ASEAN would support Beijing wholeheartedly. However, he reminded the importance of understanding that each AMS had different positions on China. The statement in the joint communique reflected ASEAN’s broad preference for Pelosi to not visit Taiwan, although this did not imply that AMS did not have to harshly condemn Pelosi’s visit to the extent that it would fully support Beijing.

Questions

Kang (Jakarta):

How do ASEAN countries support Taiwan when they have to align with the basic principle of non-intervention in internal affairs but are also in need of support for democratic and peaceful resolution?

Responses

Benjamin Ho (Assistant Professor, S. Rajaratnam School of International Studies):

Ho answered that the support for Taiwan would typically be unofficially expressed under the radar.

Economic support would be the most sensible option for AMS. In terms of diplomatic support, there should be more problems. However, he argued that there should be many ways to express support without officially expressing support. In this case, the concerns should not be placed upon the non-interference principle, but upon the recognition from the People's Republic of China when acknowledgment would be made towards the Republic of China (hereinafter ROC) or Taiwan. He brought to light the example of the beginning of Singapore and PRC's diplomatic relations, which did not make any explicit statement on what that would mean for Taiwan. Therefore, China would typically make political calculations in such times to ensure that the situation or status quo would be in its favor. These led him to conclude that Southeast Asian states could continue to support Taiwan in their own ways, although it would be important to consider what form of support they would opt for meant for the status quo.

Malcolm Davis (Senior Analyst, Australian Strategic Policy Institute):

Davis highlighted that examples from Australia might provide valuable lessons. Their recognition of the One China Policy; Australia's recognition should not be mistaken as support for China's claim over Taiwan. Australia had unofficial deals with Taiwan, including those on education, trade, defense, etc., which were kept at an unofficial level and opened for possibilities of developing the relations as they would evolve. These could be done under the radar without needlessly and deliberately antagonizing Beijing. He considered the possibility of Beijing choosing to antagonize themselves, although he maintained that Australia decided on its defense policy themselves rather than choosing what would please Beijing. However, he cautioned that the real challenge would be China's possible annexation of Taiwan, which should be addressed through a consideration on the part of Australia, ASEAN, and the US on how they should respond to China's use of force.

Drew Thompson (Visiting Senior Research Fellow, Lee Kuan Yew School of Public Policy, National University of Singapore):

Thompson noted that China had made clear that its definition of interference in its internal affairs was quite maximalist, giving them tremendous latitude to apply pressure on other states whenever it would suit them. In other terms, China could choose when it would be offended. Unofficial relations between other states and Taiwan, notwithstanding diplomatic recognition, would be acceptable for Beijing under certain conditions; these conditions, however, would be determined by Beijing itself. These dynamics resulted in the elusive quality of the current status quo, which everyone wished to preserve, although the status quo itself was changing. These changes were apparent in China's application of pressure and Taiwan's public opinion and how it would affect policies. Maintaining the status quo would be impossible, especially considering China's handling of Hong Kong, as well as how it had dismissed basic laws and agreements to maintain the political system in Hong Kong. These instances reduced China's credibility as a partner for unification.

Thompson opined that there was nothing that could draw the two sides together. Moreover, there were many interests external to both sides in maintaining positive and mutually beneficial relations with Taiwan. These interests represented what most countries around the world would seek to do, reflecting Taiwan's attractive economy and comparative advantages.

Self-determination was at the heart of Southeast Asian states' interests, rather than non-interference, which needed to dominate the discussion in Southeast Asia. The application of the use of force could be noted in several dispute settlements in Southeast Asia. He, therefore noted that the values espoused by ASEAN states were no longer credible. Therefore, rather than merely focusing on whether or not ASEAN states recognize Taiwan—considering that all of them had maintained relations with Taiwan—focusing on self-determination and peaceful settlement should be preferable.

Questions

Seonyoung Yang (Republic of Korea Mission to ASEAN, Jakarta):

As the first two speakers mentioned, Taiwan is becoming a potential flash point, hence ASEAN is pushed hard to make choices.

Former Malaysian Prime Minister Mahathir, however, vocally argued that ASEAN has to be closer to China, not the US, and China, unlike the US and West, never invade Southeast Asia but wishes to be recognized in the recent interview with Financial Times (30 August).

To all speakers, how do you see Mahathir's opinion, and do you think his opinion is being shared among leaders in the region?

Responses

Drew Thompson (Visiting Senior Research Fellow, Lee Kuan Yew School of Public Policy, National University of Singapore):

Thompson started by disclaiming that former Prime Minister Mahathir was entitled to his opinions and statements, which would not necessarily reflect the current government's policies nor the sentiments of other Southeast Asian states. His statements would be irrelevant to policies, which would be best ignored.

Benjamin Ho (Assistant Professor, S. Rajaratnam School of International Studies):

Ho agreed with Thompson's opinion, considering that he was not in any official position, notwithstanding his actual political power. However, he reminded the importance of considering

that China was both a geographical and cultural reality. Southeast Asia's geographical proximity should not dictate its interests. Ho noted that there were recognition of the need to deal with China in a way that differ from countries outside of Southeast Asia. The cultural dimension also pervaded the issue, with the presence of population of Chinese descent in most Southeast Asian countries. China had utilized the appeal of ethnic nationalism to generate and cultivate relations among ethnic Chinese diaspora in many capital cities in Southeast Asia. However, this should not be overstretched to assume that they would automatically side with China. The Southeast Asian population was also generally reluctant to be involved in the model of domestic politics offered by the US. The question of choosing sides between Washington and Beijing should not only be regarded as a foreign policy issue but had permeated into domestic politics. Southeast Asian countries should be resilient enough in recognition of the interplay between the foreign policy implications of relating with China and the domestic implications of China's presence in capital cities across the region. This interplay, he viewed, would be the crux of AMS' relations with China.

Malcolm Davis (Senior Analyst, Australian Strategic Policy Institute):

Davis saw Mahathir as a political figure who liked to make comments on current issues. However, he maintained that the only country that had made threats to invade Taiwan was China. The latter had made military preparations for that mission, including rapidly modernizing and expanding military capabilities. Moreover, they had also developed a breakout capability and nuclear capabilities. These efforts were not displayed by Washington, which should demonstrate Beijing's intent to invade. Davis concluded that it would be important to recognize that Mahathir was not an official representation of the government, allowing observers to dismiss his views and focus on what the current government would think.

Questions

Muhamad Arif (Australia):

To Dr. Davis, will Australia go to war over Taiwan? What level of operational support Australia is politically prepared to provide for the US in the event of conflict?

Responses

Malcolm Davis (Senior Analyst, Australian Strategic Policy Institute):

Davis revealed that there had been ongoing discussions within Australia's strategic policy community about the Taiwan issue and Australia's support. In the event that the US would intervene and support Taiwan, Australia would support the US. He noted that the current opposition leader,

who was also a former defense minister, said that it would be inconceivable for Australia not to support the US. Notwithstanding these discussions, they had yet to filter out of the community. However, he deemed that going to war should be regarded as a big issue that should warrant more debates on the issue.

He argued that in an event where China would have a conflict with the US over Taiwan, Australia would be hit by Chinese missile attacks from the beginning. These attacks would not only hit giant facilities, but also any facilities in Northern Australia which would host the US forces. Therefore, he saw that Australia would inevitably be involved in such a scenario.

Davis foresaw that Australia would be involved from the outset by hosting the US forces and supporting them in operations against China's invasion. There should also be a coalition for operations at sea. Australia would have to think about providing logistical support.

Questions

Hyoee Nakagiri:

Does ASEAN view business interests as more important than the right of self-determination (which I understand is one thing that no ASEAN member will ever compromise on)?

Responses

Benjamin Ho (Assistant Professor, S. Rajaratnam School of International Studies):

He noted that it would be important to not be overly taken up by purely business and economic calculations. At some point, personal aspirations would have to come into play, where democracy would be important. Some of these problems would have to be addressed earlier on later than have them culminate in the end.

Drew Thompson (Visiting Senior Research Fellow, Lee Kuan Yew School of Public Policy, National University of Singapore):

Davis argued that economics and security should not be seen in binary terms. He recalled responses from Southeast Asian states to the invasion of Ukraine, with their references to values. One example was Singapore's Foreign Minister's address to the Parliament, which made references to how much Singapore had benefited from globalization. He deemed that the economy would not significantly change calculations on values, which he saw to matter substantially. Therefore, he saw that if values were absent from a specific country's policy, he argued that it was not destined to develop well. If political differences between Beijing and Taiwan were solved by the use of force,

this would run contradictory to Southeast Asia's interests, which could definitely result in rising global inflation, economic slowdown, sanctions, and general uncertainty and unease. Therefore, he posed the question of whether accommodating Beijing's maximalist position and threats to use economic coercion would outweigh the consequences of a regional conflict.

Davis also noted that in addition to Australia, other countries such as Japan were also reconsidering the importance of Taiwan to their own security. The economic calculation would consider whether there would even be any trade at all in the event of a conflict, considering Taiwan's significant role in supplying many important commodities, particularly in the ICT sector. Economic consequences would particularly be acute in Southeast Asia.

Malcolm Davis (Senior Analyst, Australian Strategic Policy Institute):

Davis saw that Southeast Asian states would need to ask themselves if they would prioritize business over the security of the region, and particularly the wellbeing of the Taiwanese people, what would happen if China succeed to take Taiwan. ASEAN would have to ask themselves what would life become like in a Chinese sphere of influence or hegemony, in a situation wherein they dominate.

He also noted that the lack of freedom in China, instances of human rights violations in Xinjiang, and suppression of against democracy in Hong Kong should be considered when making business deals with China ahead of pursuing a Free and Open Indo-Pacific. This pointed to the fact that the "gun vs. butter" issue mattered, as it would not only concern issues pertaining to immediate prosperity or wealth but also the quality of life in an authoritarian world. Concerns should be placed upon the possibility of what he saw to be a "dark future," wherein people would not have the political freedom to speak against their governments. These possibilities were the reasons why Australia no longer attempted to balance trade with freedom and stand by the US in protecting Taiwan.

Questions

Marina Ika Sari (The Habibie Center):

With China imposing sanctions on more than 100 items from Taiwan, which were mostly agricultural products. Interestingly, China did not sanction semiconductors produced in Taiwan. Does that indicate China's dependence on Taiwan with regards to this specific industry?

Responses

Drew Thompson (Visiting Senior Research Fellow, Lee Kuan Yew School of Public Policy, National University of Singapore):

Thompson noted that notwithstanding its huge investment to develop its own semiconductor capability, China still lagged behind and depended on Taiwan for a number of commodities, in addition to semiconductor products. If China's economic coercion was viewed from a broader perspective, it tended to target tangible items it would be able to replace, as exemplified by targeting American and Australian agricultural products to impose costs on them while increasing imports from other producing states, such as Argentina or Brazil. Similar issues could also be noted in China's access to raw materials, with China's blockade against coals from some countries or imports of iron and ore from some countries. China's unilateral economic sanctions had been imposed on many countries; those imposed on Taiwan also long predated Pelosi's visit.

These instances underscored the dilemma of not diversifying trade relationships, especially when countries were becoming too dependent on China and losing their sovereignty. China might entrap these states by using their dependence to gain political leverage. The intent to use these means of coercion was explicit in China's economic plans and strategy, as well as its "dual circulation" concept, seeking to build its internal economic resilience and reduce dependence on other countries, while the external circulation would target increasing the dependence of other countries on China. China, therefore, had a nefarious approach to economic relations which could be regarded as controlling in a colonial sense. Ultimately, he noted the possibility of Southeast Asian states becoming economically dependent on China and losing their sovereignty. These possibilities would not be in their interest, although they would likely happen.

Thompson, therefore, argued that trade with China could be a double-edged sword due to their propensity to use dependence as a coercive tool and for a political end. Southeast Asian states would have to make decisions on China's sphere of influence, particularly as this issue would pose a real challenge in the next few decades, putting into question whether or not countries would want to benefit from trade with China or be exploited. The possibility of being exploited would be quite high, especially by looking into what had occurred in Northern Myanmar and Cambodia, along with the failure of building deeper economic relations with China during the Duterte regime. ASEAN would have to grapple with these trends, wherein ASEAN could play a role to support its own members to develop greater intra-ASEAN trade. Southeast Asia would have to develop their economy or attract partners who could help them to develop their economies to allow them to not solely become resource suppliers to Beijing, ultimately reducing their dependence on China and granting them autonomy.

Malcolm Davis (Senior Analyst, Australian Strategic Policy Institute):

Davis agreed with Thompson's answer and pointed out that the parallels between China's approach to trade and building dependence had been very clear. The Belt and Road Initiative had been clearly imperialistic and hegemonic, with China's supply of capital and investment to building dependence through debts. This approach could be defeated by recognizing these trends and diversifying supply lines, essentially stopping ASEAN's dependence on China. Australia pursued this approach by diversifying economic relations and reducing its reliance on the Chinese economy. Moreover, he also noted the importance of building new markets. Gradually, the pursuit of diversified economic relations would strip away China's coercive power, at least economically.

Benjamin Ho (Assistant Professor, S. Rajaratnam School of International Studies):

Ho pointed out that China's economy had slowed down over the last couple of years due to COVID-19 restrictions. In this respect, he was sure that Southeast Asian states had started to look beyond China to find other ways to diversify their economic interests. He also noted that with the Chinese government's crackdown on many big sources of wealth in China, many wealthy people in China had started to move their capital out of China to avoid such a problem. These trends were signs that China's economic engine would not throttle forever and might run into problems at various levels. In that respect, Ho cautioned against being overly optimistic about China's economic model as a vehicle to sustain growth in the region.



ABOUT ASEAN STUDIES PROGRAM

The ASEAN Studies Program was established on February 24, 2010, to become a center of excellence on ASEAN related issues, which can assist in the development of the ASEAN Community by 2015. The Habibie Center through its ASEAN Studies Program, alongside other institutions working towards the same goal, hopes to contribute to the realization of a more people-oriented ASEAN that puts a high value on democracy and human rights.

The objective of the ASEAN Studies Program is not merely only to conduct research and discussion within academic and government circles, but also to strengthen public awareness by forming a strong network of civil society in the region that will be able to help spread the ASEAN message. With the establishment of ASEAN Studies Program, The Habibie Center aims to play its part within our capabilities to the ASEAN regional development.

ABOUT TALKING ASEAN

Talking ASEAN is a monthly public dialogue held at The Habibie Center in Jakarta. Covering a wide array of issues related to ASEAN, Talking ASEAN addresses topics of: Economic Integration, Socio-cultural, & Democracy, human rights and regional peace, among others. Featuring local and visiting experts, Talking ASEAN is one of a series of twelve dialogues regularly held each month and open to a target audience consisting of ASEAN officials, foreign ambassadors & diplomats, academics, university students, businesses, and the media.

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