

Report on CLAWS interaction with TAIWAN ACADEMIC DELEGATION

The research faculty of the Centre for Land Warfare Studies (CLAWS) held an interactive discussion on 1st May 2013 with the Taiwanese academic delegation on the following issues:

- a. Indo-Taiwan relationship
- b. US policy towards Asia
- c. East China Sea dispute
- d. Cross-Straits relations

The Taiwanese delegation consisted of the following:

- a. Mr. Yen Tiehlen: Deputy Director of Centre for Security Studies (MCSS), Institute of International Relations, NCCU
- b. Prof. Chen I-hsin Edward: Professor at Graduate Institute of the Americas, Tamkang University (TKU).
- c. Prof. Hwang Jen-te: Professor at Departmentt of Banking Finance at Kainan University.
- d. Col Yu Tsung-Chi: Associate Dean of Political Warfare College, National Defence University (NDU), Taiwan and Director at Defence Languages Training Institute, MND; Adjunct Assistant Professor at General Knowledge Centre, NDU and Adjunct Assistant professor at PLA study centre, Fu Hsing Kang College.
- e. Prof. Hsu Paul: Chairman and CEO of PHCOS International Co., Taiwan and President of Epoch foundation.
- f. Prof. Lui Fu Kuo: Research Fellow, Institute of International Relations (IIR) at National Chengchi University (NCCU)
- g. Mr. Li Chun yu: Associate Research Fellow at Institute of Chinese Communist Studies, Taiwan.
- h. Ms. Chang Ching Ching: Research Assistant at Institute of Chinese Communist Studies, Taiwan.

Introductory Remarks:

Maj Gen Dhruv C Katoch, SM, VSM, (Retd), Director CLAWS

India's approach to planning and articulation of its foreign policy has been consistent since its independence in 1947. Today, India is integrated with and interdependent upon the globalised world. We require a peaceful periphery and a global environment that fosters constructive dialogue and cooperation. In areas of tension we support the development of suitable architecture to maintain stability through discussion.

As far as our relationship with China is concerned, it is a well known axiom that large countries are never at peace or at ease in their neighbourhood. India is no exception. This also leads to comparisons between the achievements of China and India. On many indicators China has been ahead of India. In the 1970s when its modernisation programme picked up, the Chinese GDP and per capita was less than that of India.

Today its total GDP is four times that of India at \$7.8 trillion USD. The significant power gap between China and India could further increase over the coming decades.

The challenge for India lies in management of this essentially competitive if not totally adversarial relationship. This is crucial in order to avoid instability, armed conflict and to safeguard vital interests against encroachment. China's remarkable economic growth is reflected in its assertive stance on its core interests abroad and in particular its own neighbourhood. China's aggressive attitude has become more evident in the past few years especially after the hosting of the 2008 Beijing Olympics.

Two factors are unique to the India-China relationship. India is the only Asian country that can stand up against China due to its size, population and its economic, military and diplomatic potential. Secondly, China's superpower status continues to impinge upon India's national security imperatives at the national, regional, continental and global level. China represents a greater challenge for India than any other country. It is therefore important for us to get an insight into Chinese thinking.

Taiwan Delegation

Introductory Remarks: Prof Lui Fu Kuo:

Taiwan is a small country in the East, living right next to bigger powers. China, Japan and United States comprise as the major influences. We are alone and isolated but the Taiwanese people are hard working and self-sufficient. Taiwan has to contend with an international situation that is not very fair and has barriers.

Prof Hsu Paul: India-Taiwan Relationship

The same Chinese army which in World War II, was trained in India and fought the Japanese under the leadership of Chiang Kai Sheik, failed in land warfare in mainland China and retreated to Taiwan. Ever since 1950, Taiwan has resisted and survived military threats from Communist Chinese in mainland China. Taiwan has also survived the global oil crisis and then stood alone as it was unable to join many international organisations. During the 1997 Asian economic crisis, countries such as South Korea, Thailand, Malaysia and Indonesia all got assistance from IMF while Taiwan stood alone. After all these years, we have gathered some experience. We are here to share some of that experience and enhance the India-Taiwan relationship.

Taiwan is a small island but not a small economy. Our businessmen are spread all over the world including USA, China and Southeast Asia, in big numbers. There are a few areas that can be highlighted for our future collaboration. There have been three aspects to Taiwan's transformation:

- a. Social
- b. Political (free and pluralistic expression)
- c. Economic (boosting production and innovation)

In the economic sphere, Taiwan and India can consider talent training and education exchanges for the younger generation. We know that India is interested in moving eastwards for alliances and investment. For this, infrastructure is very important. Science and technology is another area. In this, the first stage of collaboration would be technology transfer. For India, this would aid its agriculture and fisheries sectors. Taiwan and India can even consider entering into a mutual free trade agreement (FTA).

Taiwan has grown from a small to a very big sized economy. One of the key values has been to promote smaller industries and allow them to grow into bigger industries. This has closed the gap between the rich and poor. That is something that India may need. Taiwan's industries are very good in manufacturing because they are familiar with the equipment, with what kind of product will sell and the assembly line, in addition to their efficiency. Such companies have a tremendous interest in doing turn-key projects in India. This would help expedite economic development or fulfil the consumption demands in the Indian market. Taiwan is also very advanced in the field of healthcare. This includes the pharmaceutical industries and the medical system. Green technology is another area of interest for both Taiwan and India. Taking inspiration from Apple Inc, Taiwan has forged ahead with innovation in lifestyle products. On the whole, the most important point is that Taiwan has transformed from import substitution to technology industry and then to the service sector. This progression has added tremendous value to Taiwan's manufacturing sector.

Prof Edward Chen: US Asia-Pacific Strategy

On 14 April 2013, Secretary of State John Kerry listed four principles of US Asia-Pacific policy. These include:

- a. Strong growth: This relates to USA's allies i.e. countries with which there are military alliances.
- b. Fair growth: This stipulates that Asia must grow in a moderate & even handed manner.
- c. Smart growth: This entails recycling, green and even new energy.
- d. Just growth: This suggests a US-led value system that promotes social justice, human rights, freedom and democracy. Herein Taiwan and India, share a similar value system.

On 11 March 2013, National Security Advisor for the second Obama administration, Thomas Donilon gave a speech at the Asia society in New York. He presented five pillars of USA's Asia strategy:

- a. Strengthening alliances
- b. Deepening partnerships with emerging powers: India and Indonesia

- c. Stable relationship with China: (However, if 70 years of Sino-US relations have not put China on the right track then how can we expect that from Obama's second term? This is just a good will gesture from the US).
- d. Empowering regional institutions: Emphasis on organizations such as APEC & EAS to make them more efficient so that economic and political issues can be discussed effectively.
- e. Economic architecture: That can sustain shared prosperity in the region.

There are five similarities between John Kerry and Thomas Donilon's ideas:

- a. USA will continue to use its military, political, diplomatic and economic power to maintain its rebalancing policy in the Asia-Pacific. Donilon will continue to be in charge of Obama rebalancing policy.
- b. Lack of resources will remain a problem for USA in Obama's second term.
- c. In the second term USA will expand beyond the Asia-Pacific and be closely related to EU by negotiating the Trans-Atlantic Trade and Investment Partnership agreement (TTIP).
- d. In the first term, the phrase 're-balancing Asia strategy' was used. In the second term, it has changed to 're-balancing Asia policy'. Strategy in the ears of China was a more sensitive term.

Capt Yen Tiehlen: East China Sea Dispute

The Senkaku islands – we call them Diaoyutai and the Chinese call them Diaoyu islands, are eight small islands. Of these, the furthest island from mainland China is the Shikaki Island at 90 nautical miles. Three countries claim the sovereignty of these islands. The conflict first emerged in the early 1970s when USA returned the jurisdiction to Japan. In the late 1970s there was some understanding fostered through the Sino-Japanese friendship treaty. There was a tacit agreement that no one would move provocatively towards the islands. Even though small skirmishes did take place, for the most part that agreement had been in place. No major tensions existed until September 2012 when Japan decided to nationalise three of the eight islands. From Beijing's point of view, that changed the status quo. It broke the agreement that had been in place since the late 1970s.

Strategically, these islands are very important. Additionally there have been reports of oil and natural gas on the seabed. Traditionally, Taiwanese fishermen have frequented the region for hundreds of years. In recent times Chinese and Japanese coastguards have been exchanging water cannons. Chinese radars have on occasion, locked down Japanese warships. PLA army, navy and fighter jets have prevented any Japanese nationalists from landing on the islands. The tension in the East China Sea is even greater than in the Korean peninsula and the South China Sea. There are two reasons for this:

- a. Communication: There is no dialogue in place on this dispute.

- b. Decision making is driven by emotional & nationalistic sentiments.

Article five of the Japan-USA security treaty entails that the two will consult whenever there is a security threat to Japan. However, USA maintains that it does not take sides on sovereignty issues. While China and Japan concur that there are sovereignty issues, Japan altogether denies that there is a dispute. Submitting this dispute to the International Court of Justice (ICJ) or the International Tribunal for the Law of the Sea (ITLOS) is not an option. Additionally, nobody wants to wage a war over eight islands. This has put the dispute in an impasse.

The Taipei government in 2012 agreed that bilateral or multilateral engagement was needed because the dispute endangered regional stability. The East-China Sea Peace Initiative, proposed by Taiwan seeks to put aside the sovereignty issue but proceed with the sharing of natural resources. Negotiations on the fisheries agreement between Japan and Taiwan had been ongoing for 16 years but it has only recently has been signed. As a result Taiwan's fishermen can fish in the region without harassment from Japanese coastguard. China does not like this agreement and has criticised Taiwan for it. Eventually, Taiwan will have to negotiate with China on maritime issues. That is inevitable.

Prof Lui Fu Kuo: Cross-Strait Relations

Last year, we recorded 4 million Taiwanese people travelling back and forth to mainland China and 1.7 million Chinese tourists coming to Taiwan. These numbers continue to increase dramatically. Every year we have 550 flights across the Taiwan straits. There are 41 destinations that Taiwan is connected to in China. Currently, Taiwan is exporting to China about 40 per cent of its international trade. However, the growth of China as a major economic power has also raised our security concerns. It is a dilemma. Currently negotiations are underway to establish a representative office for Taiwan in Beijing and for China to set up office in Taipei. The function of such an office would be very similar to an embassy. If this comes through, it will change the nature of cross-strait relations and move it to the next level. In June 2012, an economic framework agreement was established that dealt with trade in products and services. We have to accelerate progress on this front given that there is a FTA between China and South Korea. The latter is a big competitor for Taiwanese industries.

The dark side of Cross-Strait relations are marked by political barriers. Even after signing of 18 agreements, mutual trust is still lacking. The primary barrier for Taiwan is the One-China policy. The definition of this is ambiguous and so there is no clear solution in place either. There is a lot of debate in Taiwan regarding what constitutes One-China policy and what it means for Taiwan. Some Taiwanese suggest that we should sign an official agreement with China to determine the political turf.

On the South China and East China disputes, Taiwan's claims overlap 100 per cent with that of mainland China. Taiwan can supply the same documents and history. The real problem is between China and Taiwan. This dispute is expected to become a point of discussion in cross-strait relations. We are not entirely pessimistic on this front. If China is serious about the South and East China Sea disputes, then Beijing

will have to find some way to walk with Taipei; otherwise its claims are incomplete. Despite dramatic improvement in ties in the last five years, there persists a lack of trust between Taipei and Beijing. China disapproves of Taiwan's representation in international forums. A recent example of this was the rejection of the Taiwanese representative from the March 2013 Jakarta International Defence Dialogue - just three days prior to the event.

Q & A and COMMENTS:

On the whole the issues covered in today's seminar relate directly to India's foreign and security policy concerns. There is a lot to be shared from both our experiences.

USA:

USA has on numerous occasions given Taiwan the impression that- "you are on your own". Meetings with US government officials and scholars have communicated that we need to take good care of ourselves. We understand that we need to do our job. In the future, we may need to modernize further, develop marine-corps or acquire some F-16s etc. Like many countries in the region, Taiwan relies on USA for its security but also requires China's market for economic well-being. We want USA in the region for as long as possible. No matter what the nature of it, the assurance is that, USA is there to balance the influence of China. The truth is that USA projects its power in the Asia-Pacific for not just Taiwan but also South Korea, Japan and the Philippines. We believe that USA will play a certain role in the Asia-Pacific to maintain stability and deter aggression.

CHINA:

Democracy: The Chinese visitors to Taiwan look at its system, lifestyle and the freedom. Taiwan's president, Ma Ying-jeou has been heavily scrutinized by its media. This reflects the freedom of expression in Taiwan. Today, there is close contact between the Taiwanese and Chinese people. The latter's voice is getting stronger through its websites. We have to analyze China's internal problems and its people's reaction to them.

Cross-strait relations: The usual slogan when Chinese government officials and scholars meet is- "let's have peaceful cross-strait relations". However, Taiwan's argument is "change your constitution". This cuts short the dialogue because no one dares to challenge the Chinese constitution. China is being torn apart of their own doing. It has undisciplined capitalism going on with a lack of rule of law etc.

One China policy: Recognition of this is a pre-requisite when establishing diplomatic ties with China. Taiwan has three principles.

- a) No unification.
- b) No independence.
- c) No use of force.

China always plays the dual hand strategy. On the one hand they try to buy Taiwan instead of fighting it. On the other hand they claim that Taiwan is part of its core

interests, together with Tibet and Xinjiang. Whether the Taiwan Strait should belong to one country is a sensitive issue. We feel that if we concede, then we will give the world a bad impression. Taiwan's long term goal in cross-strait relations is to encourage democracy and political empowerment in China. Taiwan like every other country is doing business and economically integrating with China. However, politically we do have some influence and that is our strength. In cross-strait relations it is a struggle of two different systems and lifestyles. China is on a longer learning curve than Taiwan, which has already struggled for 50 years.

China (Internal): Why is China's budget for maintaining stability at home even higher than that for its military? It suggests that China is worried about its future, internally. They have even dispatched delegations to learn lessons from Taiwan's experience. In the 1980s, Taiwan faced resistance on the streets, but we peacefully resolved the situation. Apart from Arab spring, China is also concerned by USA imposing its value system among its neighbouring countries. Myanmar, Laos, Cambodia and even Mongolia are the targets of this. Internally, there is also widespread corruption amongst Chinese government officials. Thus, China has its own problems at home.

China's Military Capability: Taiwan has not fought the PLA army for 60 years but we watch them carefully, consider them very capable but at the same time we are not sure. Opinions in USA vary. Some feel that whatever the Chinese develop can be considered a silver bullet. Others feel that modernizing the military, aids their economic influence and international status. Views from the pentagon on Chinese military growth suggest that, China will learn their lesson like the Soviet Union. On the whole the Chinese military technology is ten years behind that of USA. However, no one wants to test how capable they are, for the sake of regional peace and stability.

China-USA

Rebalancing creates some tension between China and USA. There are multi layered dialogues between the two on strategic, people to people, economic, technical issues etc. They understand each other even though there is a lack of trust. Even Japan and USA do not have that many dialogues. Dialogue is better than no dialogue. India also has confidence building measures with China. We have a lot to learn from you and in due time we will also engage similarly with China. We cannot allow hostility to exist in cross-strait relations. The current Chinese government have a love and hate relationship with USA. The love part is indicated with all the Chinese officials, sending their children to study abroad in USA and even asking them to stay. Many Chinese are keen to buy real estate there. The hate part is that China wants to show the world that it is a major world power. Any kind of presence or influence of USA is considered a containment policy more than a rebalancing.

South China Sea Dispute

Every country is directing their issues on this directly to China and not Taiwan. Presently negotiations are underway for the code of conduct in the South China Sea (SCS). Taiwan has already reminded all the claimant countries that without its participation, the story will not be complete, especially since Taiwan is holding the

largest islands in Spratlys. The reason why China can claim Diaoyutai is because they claim to own Taiwan as well. It is possible that China and Taiwan may negotiate on this matter, the understanding being that before we can contest with others, we need to sort this out amongst ourselves. Our understanding is that Xi Jinping controls the military completely. In coming years, China can be expected to be more assertive on maritime territorial disputes. The PLA navy has started to play an active role on this front. Additionally, China has developed its coastguard in to a single unified force as opposed to five different state agencies functioning in the region.

Conclusion:

India's focus on peaceful resolutions of disputes is appreciated. Peace can also convey that you have muscle. It can win sympathy from the rest of the world. Lastly, peaceful offensives are better than that from the military. Vision is crucial. It can overcome difficulties on any kind of issue.