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Prospects for the Taiwan Issue in the Era of U.S.-China Strategic Competition

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Changing PRC, ROC, and U.S. policies regarding Cross-Strait relations

1. China: strengthening pressure on Taiwan to secure political support and respond to the U.S.'s Indo-Pacific strategy

Since the Tsai Ing-wen administration did not acknowledge the '1992 Consensus' and began to claim Taiwan's independence, the Xi Jinping administration has put diplomatic, economic, and military pressure on Taiwan. Especially, China has been strengthening military pressure against Taiwan in recent years. Then, why does the Xi Jinping administration practice a pressure policy toward Taiwan even though such behavior will cause resistance by the U.S. or other democracies?

Firstly, the Xi administration is sending a warning message to the Tsai administration and the United States. China thinks that the Democratic Progressive Party (DPP)'s pro-independence policy and the U.S.'s support for Taiwan is an attempt to deny the One-China principle and separate Taiwan from China. Therefore, China is trying to weaken Taiwan's desire for independence and interrupt the U.S.'s regional involvement by heightening security concerns in Taiwan through diplomatic, economic, and military pressure.

Secondly, the Xi administration is seeking to shore up domestic political support. The Xi administration has secured its ruling legitimacy by advocating for the 'Great Rejuvenation of the Chinese Nation' and encouraging nationalism at home. China's continuous military provocations against Taiwan are helpful in spreading awareness that the Xi administration is struggling for the interests of the Chinese nation and rallying the Chinese people's political support.

Thirdly, China is strategically responding to the U.S.'s Indo-Pacific strategy. If China neglects Taiwan's pro-independence policy and the U.S.'s support toward Taiwan, it will increase the risk that the U.S. will contain China through Taiwan, which is located near China. In that sense, China is trying to interrupt cooperation between the U.S. and Taiwan and reduce the range of its Indo-Pacific strategy.

2. Taiwan: using domestic threat perceptions of China and a hardline U.S. China policy to strengthen a pro-independence policy

Since Tsai Ing-wen's return to power in 2020, her administration has strengthened a pro-independence policy despite China's increasing pressures due to several reasons. Firstly, distrust in the 'One Country, Two Systems' principle and growing threat perception of China are increasingly widespread in Taiwan. China's oppression of the democracy protests in Hong Kong in 2019 raised fears that, 'today's Hong Kong is tomorrow's Taiwan' among many people. With increasing Taiwanese national identity, these perceptions have expanded political support for the DPP. Secondly, effective Taiwanese preventive measures against COVID-19 highlighted the differing political systems and responses between Taiwan and China and raised Taiwanese national identity. Thirdly, the intensifying U.S.-China strategic competition provided Taiwan with an opportunity to extend its position as a democracy in the international society.

3. The United States: strengthening relations with Taiwan as part of its Indo-Pacific strategy

Since diplomatic normalization with China in 1979, the United States has acknowledged the 'One China' policy while also enacting the 1979 Taiwan Relations Act to provide military support and maintaining informal relations with Taiwan. The United States position has been to adhere to strategic ambiguity in its defense of Taiwan against any military attack by China. However, Taiwan-related acts released in the U.S. recently, such as the Taiwan Travel Act, the 'Taiwan Allies International Protection and Enhancement Initiative' (TAIPEI) Act, and the Strategic Competition Act, imply that the U.S.'s policy toward Taiwan is changing.

Firstly, the U.S. is increasingly concerned that China will destroy peace and stability in Asia by unifying Taiwan by force. For example, U.S. leaders believed that normalizing diplomatic relations with China during the Cold War would ensure peace not only for both peoples but for the whole world. Today, China's military modernization, economic statecraft, and the rhetoric of its political leaders heighten concerns that China is a revisionist power. Therefore, the U.S. is reinforcing relations with Taiwan based on the Taiwan Relations Act to maintain security and peace in the Taiwan Strait.

Secondly, Taiwan has high strategic value in implementing the U.S. Indo-Pacific strategy. Taiwan is a strategic location which is adjacent to China. The U.S.'s military support to Taiwan is linked to a response measure against China's A2/AD (Anti-Access/Area-Denial) strategy. In addition, the U.S. can expand its influence on high tech companies such as Taiwan Semiconductor Manufacturing Company (TSMC) through the improvement of relations with Taiwan.

Thirdly, the U.S.'s support for Taiwan is useful in strengthening an anti-China coalition with other democracies. The sudden withdrawal of U.S. troops from Afghanistan caused international criticism that the Biden administration abandoned an alliance for its own national interest. In that sense, to

protect and support a democracy, Taiwan is helpful in reaffirming the Biden administration's will to restore values-based alliances and strengthening an anti-China coalition with other democracies.

Prospects for the Taiwan Issue

With changing PRC, ROC, and U.S. policies regarding Cross-Strait relations, various issues have emerged and raised tensions in the Taiwan Strait, such as high-ranking officials' mutual visits between the U.S. and Taiwan, Taiwan's joining international organizations, a name change of the Taiwan Representative office, increasing military tension in the Taiwan Strait, and increase of countries related to the Taiwan issue. Especially, it is raising the possibility for China to invade Taiwan in the next few years given China's military modernization and its capacity to recover Taiwan. However, the following factors should be considered as well as China's military power.

Firstly, it is not clear that the U.S. has completely abandoned the One-China policy. Even though the U.S.'s Taiwan policy seems to be changing, the Biden administration is still trying to maintain strategic ambiguity on the Taiwan issue. The U.S. seems to utilize relations with Taiwan as a pressure measure against China rather than fully support the independence of Taiwan.

Secondly, it is not an urgent matter for China to unify with Taiwan. For the Xi administration which is supposed to accomplish the Great Rejuvenation of the Chinese Nation by 2049, the 100th anniversary of the Founding of China, unification with Taiwan is necessary. Considering the current Cross-Strait relations and Chinese domestic politics, however, China does not need to rush.

Above all, the increased volume of economic trade between China and Taiwan even in the COVID-19 pandemic and the failure of Taiwan in joining to World Health Assembly (WHA) show that China's economic and international influence on Taiwan is still valid. Because China is in the advantageous position in Cross-Strait relations, it is likely to manage anti-China sentiment by practicing the united front strategy based on economic and human exchanges with Taiwan.

Next, for China, the stabilization of domestic politics is more urgent than unification with Taiwan. The Beijing Winter Olympics and the 20th Party Congress are scheduled in 2022. For Xi's stable 3rd term, maintaining high military tensions in the Taiwan Strait seems more helpful than a full-scale invasion of Taiwan, since it will continue to stimulate nationalist sentiment in China and lead to political support for Xi and the party.

Lastly, China can use the Taiwan issue as a card in its relations with the United States. China can criticize the U.S.'s support for Taiwan as interference in domestic affairs to reinforce the coalition with other authoritarian countries.

Nevertheless, accidental military conflicts may arise in the Taiwan Strait, considering China's frequent military provocations as well as U.S. and Taiwanese countermeasures. Also, China may

induce military conflicts on purpose, such as blocking the Taiwan Strait, firing short-range ballistic missiles (SRBMs) targeting the sea area around Taiwan, or occupying islands near Taiwan, when it recognizes that the One China Principle is damaged with the reinforcement of the U.S.-Taiwan relations.

Policy Implications for South Korea

In the era of U.S.-China strategic competition, South Korea can hardly be free from the Taiwan issue. Therefore, the South Korean government needs to consider the following regarding factors. Firstly, the South Korean government should accept the fact that South Korea will be involved in the Taiwan issue and recognize its seriousness. Secondly, the South Korean government should highlight that the Taiwan issue is a matter of regional peace and value, rather than a matter between China and Taiwan to prevent conflating either Cross-Strait and inter-Korean relations as purely bilateral issues. Thirdly, the South Korean government needs to prepare for China's various pressures related to the Taiwan issue. China is likely to respond sensitively related to the Taiwan issue, even though South Korea tries to regulate degrees of participation. Fourthly, the South Korean government should prepare for the possibility that the outbreak of an emergency in the Taiwan Strait can affect the national security of South Korea. In such a contingency the U.S. may move military strength in the Indo-Pacific region into the area near Taiwan. Then North Korea is likely to misjudge the U.S.'s security commitment to South Korea as weakening, and conduct military provocations on the Korean Peninsula.

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