

China - Taiwan Tensions:

The Delicate Status Quo is Fraying

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This policy outlook examines the tensions in cross-strait relations between China and Taiwan and aims to analyse its implications for the wider region. Beijing has recently stepped up its coercive actions against Taiwan, particularly since the election of Tsai Ing-wen as president in 2016 and the deepening of relations between the US and Taiwan that occurred during the Trump presidency. Current regional and domestic trends such as China's growing military capabilities and ambitious foreign policy as well as the increasing resistance of both the administration and citizens in Taiwan to accept Beijing's one country two system proposal indicate that the prospect for the establishment of a new mechanism for dialogue between the two sides is diminishing while the risk of a regional crisis is looming.

Introduction

Taiwan, which officially calls itself the Republic of China, is a self-governed island claimed by China. The island was [ruled](#) by the Kuomintang, who took refuge on Taiwan after they were defeated by Chinese Communist Party at the end of the civil war in 1949, until 1996. Since then, the issue of sovereignty has been the central topic of tension between authorities on the island and governments on the mainland, with both claim sovereignty over Taiwan. Until 1971, the government in Taiwan represented both mainland and island in international forums until the UN [passed](#) a resolution declaring the People's Republic of China as the only legitimate representative of China to the UN. Following this, a majority of countries transferred their official recognition from the Kuomintang based in Taiwan to the communist government in Beijing as the sole legitimate representative of China. Today, only fifteen countries [recognise](#) Taiwan as an independent state.

Cross-strait relations, which have been characterised by periodic crisis and tension, saw relative stability during the presidency of Ma Ying-jeou in Taiwan between 2008 and 2016 as both sides [developed](#) semi-official dialogue mechanisms and reached certain agreements on economic and practical matters. However, relations were strained with the election of Tsai Ing-wen as Taiwan's president in 2016. Tsai Ing-wen was subsequently re-elected in January 2020, largely on her strong position over the issue of sovereignty. The People's Republic of China [views](#) Taiwan as a "sacred and inseparable part of China's territory" and proposes a "one country two systems" policy on the basis of "one China principle", which was agreed in 1992 by both sides as part of a framework that would ultimately end with unification. Beijing repeatedly [reminds](#) Taiwan that the 1992 consensus represents the baseline for the maintenance of dialogue and positive relations with the island. However, Taiwan's President Tsai has [refused](#) to endorse the consensus embraced by the Kuomintang on the grounds that the terms and conditions have been unilaterally imposed by China. US policy during the Trump presidency has also led to increased tension in cross-strait relations as the US administration [pursued](#) strengthening relations with Taiwan, communicating with Taiwanese authorities through official channels and increasing arms sales to the island.

In response to these developments, China has [increased](#) pressure on the island by taking coercive measures to isolate Taiwan diplomatically, suspending cross-strait communication mechanisms, restricting tourist visits from the mainland, conducting military patrols and exercises around the island and violating Taiwan's air defence identification zone and so-called- median line in the Strait on numerous occasions. In reaction, the Taiwanese government has proposed to increase military spending by ten per cent from \$13.99 billion budgeted for 2020 to \$15.24 billion for 2021. Additionally, on October 10th, President Tsai [stated](#) that the country would maintain efforts to modernise its army and improve its ability to fight an asymmetric war

in the face of potential military aggression from the mainland. In the light of these developments, some analysts [contend](#) that rising tensions in cross-strait relations could lead to either an intended or unintended military confrontation and increased instability in the region at a time when the rivalry between the US and China has intensified.

China's "One Country Two Systems" Policy

Beijing considers Taiwan an [inalienable](#) part of China". 'Peaceful reunification', as it is referred to by Beijing, has been an objective of the of the PRC since its foundation in 1949. Beijing has repeatedly emphasised that the Taiwan question is purely an internal affair, not resembling the situations in Germany and Korea thereby opposing any proposals advancing similar formulas. From the Chinese perspective, the division of Germany and Korea were the result of international developments in the aftermath of Second World War and their sovereign statuses were determined by international accords, while the Taiwan question is the consequence of a civil war and its sovereignty has never been divided as a majority of states recognise one China. Regarding the origin of the Taiwan question, Beijing states that although Taiwan was returned to China at the end of the Second World War, it [became](#) an issue after the Kuomintang started what CPP historiography refers to as an anti-popular civil war with the help of foreign powers, particularly the US. Beijing has adopted the "one country two systems" [policy](#) as the official strategy since the 1970s when the idea of coexistence of two systems - socialism in mainland and capitalism in Taiwan - was heavily promoted while at the same time reaffirming that there is only one China represented by the government in Beijing. Hence, mainland China has dismissed any proposals such as "two Chinas", "one China, one Taiwan", "one country, two governments" as attempts targeting the territorial integrity of the country. In return for recognition of one China, Beijing has offered that the status quo in the island regarding the economic and political governance model as well as its economic and cultural relations with foreign countries would remain unchanged. Reflecting this policy, China's Deng Xiaoping [stated](#) in 1979 that "so long as Taiwan returns to the embrace of the motherland, we will respect the realities and the existing system there", making it the official policy. In 1982, the legal basis for this policy was established with the inclusion of a provision to China's constitution for the establishment of a special administrative region. Beijing has also proposed to grant a high degree of autonomy to Taiwan, making it distinct from other arrangements, such as Hong Kong, by allowing the island to keep its military forces as well as by accepting not to appoint administrative personnel from the mainland.

The one country two systems policy was applied for Hong Kong and Macau after they became Special Administrative Regions in 1997 and 1999, respectively. Both have been [granted](#) a semi-autonomous status allowing them to main-



Demonstrations in Hong Kong. (Miguel Candela - Anadolu Agency)

tain their own economic and political systems. However, despite its privileged status under the framework of one country two systems, Hong Kong's autonomy and ability to maintain its political freedoms and civil liberties have been contested on numerous occasions, casting doubts over Beijing's proposals regarding Taiwan's autonomy. According to the [Mainland Affairs Council](#) in Taiwan, which is responsible for the cross-strait relations with mainland China, Hong Kong and Macau, Beijing has violated the freedom of Hong Kong and intervened in its judicial system in 218 cases between 1997 and 2007. In 2019, a controversial extradition bill proposed by the Hong Kong administration increased worries about the independence of the Hong Kong's legal system as it would have allowed the [extradition](#) of criminal suspects to the mainland China. [Critics](#) held that the proposed law would have exposed Hong Kong residents to China's legal system, which is considered deeply flawed, with the potential of resulting in arbitrary detention and unfair trials. The proposal was subsequently withdrawn following mass protests. Additionally, China's passing of a national security law for Hong Kong, which was put into effect on June 30, 2020, has been regarded by [critics](#) as one of the most serious attempts to increase Beijing's control over the autonomous administration. This is particularly so because the law came into being through promulgation, thereby bypassing local legislation and risks altering the legal system of the city as it [introduces](#) new crimes including separatism, subversion, terrorism and collusion with foreign countries with severe penalties including lifetime imprisonment and allows mainland Chinese security personnel to operate in the city without being subjected to Hong Kong's law.

Beijing continues to highlight its intention to resolve the Taiwan question by peaceful means in official statements. For instance, China's anti-secession law adopted in 2005 urges Beijing "to do its utmost with maximum sincerity to achieve a peaceful unification" with Taiwan. However, the same law also does not rule out the possibility of the use of force as it states that "the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity" in case no possibility is left for peaceful unification. In China's latest [defence paper](#) released in 2019, fighting separatist movements are highlighted as one of the top security priorities for Beijing. The paper notes that independence attempts led by the Democratic Progressive Party in Taiwan are "the gravest immediate threat to peace and stability in the Taiwan Strait" and accuses Taiwanese authorities of "intensifying hostility and confrontation and borrowing the strength of foreign influence". In a similar vein, China's President Xi Jinping [stated](#) in 2019 that "Taiwan's independence would only bring profound disaster to Taiwan" by adding that "we make no promise to renounce the use of force and reserve the option of taking all necessary means". To show its resilience, Beijing has recently increased its military presence around the islands. In addition to its deployment of missiles along the Strait and periodic military patrols and drills, China has recently [rejected](#) the existence of the so-called 'median line' in the Taiwan Strait that has been an unofficial marine boundary respected by both sides for years. According to a recent [report](#) from the US Defence Department, Beijing has increased efforts to strengthen its military capabilities that would be needed for a potential military campaign against the island. These developments have further increased tension in already strained cross-strait relations.

Taiwan's Position

Cross-strait relations have long been characterised by military and diplomatic tensions that culminated in Taiwan adopting a 'no communication' policy with the mainland in 1971 when the United Nations recognised the Communist government as the legitimate representative of China. As such, under the leadership of Chiang Ching-Kuo, Taiwan [implemented](#) the "Three-Noes Policy" referring to "no contact, no concession and no negotiation" intending to cut off direct communication channels with the mainland. However, with [increasing](#) economic exchanges and emerging opportunities since 1987 when the island lifted martial law put into effect in 1949, Taiwan reconsidered its policy of no dialogue and set out to develop a mechanism of communication to resolve technical and operational issues emerging between two sides. To this end, Taiwan [established](#) the Straits Exchange Foundation, to which China responded with the formation of Association for Relations Across Taiwan Straits in 1991 to discuss cross-strait relations. The ensuing negotiations resulted in a what it is known as the [1992 Consensus](#) between the officials of Chinese Communist Party and Taiwan's Kuomintang party, which paved the way for the acknowledgement of the One China Principle by both sides. According to the 1992 Consensus, both sides acknowledged that there is only one China while the political content of the principle was left open to interpretation. Hence, although both sides adhered to the principle that there is only one sovereign state that includes mainland China and Taiwan, they differ on which government is the legitimate one. The 1992 Consensus also implicitly [revealed](#) that Taiwan would not seek independence. This policy has become the traditional position of the Kuomintang party who recognised the one-China principle with caveats and constituted the basis of cross-strait relations. Hence, there was relative stability during the presidency of Ma Ying-jeou between 2008 and 2016 as an implicit diplomatic truce was in effect, putting a hold on debate over the issue of sovereignty as Taiwan [adopted](#) a policy of "no unification, no independence and no use of force". The two sides intensified their dialogue during this period and struck economic agreements, which resulted in a [first](#)-ever meeting between leaders in 2015.

Relations have become increasingly strained with the inauguration of President Tsai Ing-wen of Taiwan's Democratic Progressive Party, which was formed in 1986 with a clear agenda for the establishment of a [sovereign independent](#) republic of Taiwan. The party also promotes a Taiwanese identity unique from the Chinese one. Although President Tsai has used cautious language in order not to incite a Chinese reaction, her statements regarding the one-China policy have been found insufficient by China as she has neither endorsed 1992 Consensus nor denied it. Regarding Taiwan's independence, President Tsai [stated](#) that "we don't have a need to declare ourselves an independent state. We are an independent country already and we call ourselves the Republic of China (Taiwan)" by adding that "Taiwan absolutely will not accept one coun-



*The first woman President of Taiwan Tsai Ing-wen.
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try, two systems." Recent developments in Hong Kong have only increased worries in Taiwan as Beijing's reaction to protests and the introduction of a national security law were regarded as undermining Hong Kong's autonomy. In this regard, Taiwan's President Tsai [stated](#) in 2020 that "under 'one country, two systems', the situation continues to deteriorate in Hong Kong. The credibility of 'one country, two systems' has been sullied by the government's abuse of power." In reaction to the positioning of the Tsai government, Beijing has [suspended](#) communication with the island and stepped up coercive manoeuvres. Despite the ongoing frictions in cross-strait political relations, economic ties have grown significantly since the early 1990s with China becoming Taiwan's largest trading partner in 2003, replacing the US. Trade volume between Taiwan and China [increased](#) from \$35 billion in 1999 to \$150.5 billion in 2018. China is the main [destination](#) of the Taiwanese foreign direct investments and over 100,000 Taiwanese firms have moved their manufacturing facilities to mainland China since the 1980s. Additionally, Taiwan has benefited significantly from the trade war between the US and China, acting as a key [supplier](#) to both markets. Although improved economic relations have contributed to the development of Taiwan, a key consideration for the previous Taiwanese administration to pursue positive relations with Beijing, it has also created a growing economic dependency on China giving leverage to the latter on political issues. Hence, with worsening political relations, Taiwan has set out to [diversify](#) its economy by adopting a reshoring plan to attract Taiwanese companies to return to the island and increase trade relations with regional countries.

US Policy toward Taiwan

The 'One China' concept has received wide recognition as most of the countries in the world, including the US, [stand](#) by this policy. [Three Joint Communiques](#) made by the US and China have played a crucial role in the development of bilateral relations as well as for addressing the Taiwan question. In 1972, after President Nixon's landmark visit to China, the two sides issued the first joint communique where the US acknowledged that "all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves." The [second](#) communique issued in 1979 constituted the basis of the beginning of formal diplomatic relations between the US and China and the US reiterated its position that the government of the People's Republic of China is the sole legitimate government and declared that it would end its formal relations with Taiwan, withdraw its troops from the island and revoke the mutual defence treaty. Although the US officially terminated its relations with the island with this communique, the Taiwan Relations Act [adopted](#) in Congress the same year constituted the basis of the general framework through which the US has established relations with Taiwan since. The Act allowed the US to maintain its unofficial relations with and arms sales to Taiwan and implied the possibility of US support for the defence of the island against Chinese aggression without explicitly stating so. The Act stated that it is US policy "to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan." Thanks to its vagueness, the US strategy towards Taiwan is referred to as [strategic ambiguity](#), which is considered as a risky strategy by some while others have [highlighted](#) the flexibility it has offered both sides to solve their disputes without escalation. Additionally, the Act enabled the possibility of arms sale to Taiwan as it ruled that the US "will make available to Taiwan such defence articles and defence services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defence capability." Since then, the arms sale issue has become one of the topics that has created friction between China and the US. To settle these disputes, in a third joint communique issued in 1982, the US showed its intention to reduce the arms sale to Taiwan while not offering a decisive conclusion regarding the issue. Overall, the US has traditionally [embraced](#) a policy of not supporting Taiwan independence, maintaining unofficial relations, assisting Taiwan in maintaining its defensive capability and supporting its membership in international organisations that do not require statehood as a condition of membership.



U.S. President Donald Trump. (Yasin Öztürk - Anadolu Agency)

Over the last four years, the Trump administration has publicly revealed its willingness to strengthen relations with Taiwan. During this period, the US has increased official communication with the island. For instance, Secretary of Health and Human Services Alex Azar [paid](#) a visit to Taiwan in August 2020, becoming the first cabinet member to do so since 2014. Likewise, Under-Secretary of State Keith Krach [visited](#) Taiwan in September 2020, becoming the highest-ranking official from the State Department to visit the island since 1979. Additionally, US Secretary of State Pompeo [congratulated](#) Taiwanese President Tsai upon her election victory in 2020, becoming the highest US official to make such a statement since the ending of official relations. During this period, the US administration has also engaged in attempts to improve the diplomatic relations between the island and the other fifteen states that recognise its independence through forming forums, organising workshops, and consultation mechanisms. The most important element of this period has been that the US has [increased](#) its support in the security realm through dialogue, training, and arms sales. The Trump administration has [approved](#) to sell major weapons and technology to Taiwan that value \$13.2 billion. Furthermore, US arms sale to Taiwan surpassed \$25 billion between 2007 and 2018. US policy towards Taiwan during this period has not been welcomed by Beijing, who see it as foreign interference in the internal affairs of China. Hence, Beijing warned Washington by [stating](#) "stop official interactions and moves aimed at upgrading substantive relations with Taiwan". In addition to the harsh statements and warnings in the form of [a war](#) of words, Beijing also reacted fiercely by [sending](#) war planes and [increasing](#) military activities off the island in response to the US ramping up relations with Taiwan. According to some [analysts](#), a new US administration under the presidency of Joe Biden could pursue a less provocative strategy in order not to increase friction with China by returning to the traditional US Taiwan policy and reducing arms sales. However, as stated by Joe Biden during the campaign period, the upcoming administration has already revealed its intention to [deepen](#) ties with the island in line with its overall strategy to stand with Pacific allies and partners in dealing with China which might require the new administration to [send](#) clear signals of resolve to come to the defence of the island in the face of Chinese aggression. Hence, it is more [likely](#) that President Biden's Taiwan policy will not be drastically different from his predecessor but it can be expected that it will be less pugnacious and confrontational in style.



Celebrations during Taiwan National Day. (Walid Berrazeg - Anadolu Agency)

The Future of Cross-strait Relations

Tensions between China and Taiwan have recently escalated with the increasing military activities in the Strait. Although China does not rule out the use of force in case of a failure to resolve unification by peaceful means, military confrontation seems to still be a remote possibility. Yet, this does not mean that cross-strait relations will be stable and crisis-free, particularly as China has recently stepped up coercive measures. Beijing may consider implementing [military actions](#) short of war and extending military deployments around the island in order to gauge the reaction of the international community and the US in particular and to test the ability of Taiwan while improving its strategic position in a potential conflict. Additionally, the ambiguous US commitment to Taiwan's defence as part of the Taiwan Relations Act framework and sophisticated weapons sold by Washington are the critical components of the island's security and regional stability. However, unwillingness of the US to follow through on its global commitments during the Trump presidency and China's increasing military [capabilities](#) might lead Beijing to become more assertive and aggressive. This is in addition to the fact that Beijing views unification with Taiwan as the key to the materialisation of Xi Jinping's China dream of [great rejuvenation](#). Reflecting this, President Xi [stated](#) in his 2019 'Message to Compatriots in Taiwan' that China's reunification is a "must for the great rejuvenation of the Chinese nation in the new era." Hence, considered with China's growing ambition to be-

come a regional and global power, the Taiwan question appears set to continue to be in the spotlight as an issue that Beijing sees as needing to be settled in its favour in order to demonstrate Chinese prowess globally. Moreover, Beijing's coercive actions may be partially designed to affect [public opinion](#) in Taiwan by way of intimidation and fear in order to increase support in favour of unification among Taiwanese and undermine the incumbent government. However, these actions could ultimately backfire as recent [trends](#) in Taiwan show that more people have started supporting the idea of independence while increasingly [preferring](#) a Taiwanese identity over the Chinese one. A Pew Report [released](#) in 2020 shows that 61% of Taiwanese citizens hold an unfavourable view about closer political relations with the mainland while two-thirds of adults identify themselves as Taiwanese. Taiwan's democratisation process is one of the crucial factors contributing to the development of a separate identity on the island. The Tsai government also reflects these concerns in their China policy and refuse to accept China's precondition to start a dialogue, namely the acquiescence to the 1992 Consensus and 'one country two systems' policy. Additionally, China's passing of a new [security law](#) for Hong Kong this year and handling of the protests has been perceived by the Taiwanese as an example of what the country could face if they agree to China's terms, thereby further [strengthening](#) resistance to unification with the mainland. The prospect for negotiations appears low as both sides hold fundamentally divergent positions, making it more likely that tensions will continue to rise, risking an eruption of a regional crisis that could undoubtedly draw in the US.