

THE CHANGING DYNAMICS OF TAIWAN'S POLITICAL ACCEPTANCE

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Introduction

Taiwan, officially known as the Republic of China (ROC), is a democratically ruled island of about 23.6 million people across the Taiwan Strait from mainland China. Taiwan Strait, which is 110 kms wide, connects the South China Sea to the East China Sea. Taiwan's GDP in 2019 was USD 605 billion and accounts for 0.5% of the world's economy. It was the world's 18th largest merchandise exporter in 2018. According to World Economic Forum data, Taiwan is among the world's leading nations in terms of long-term growth and technological development. China is Taiwan's largest export partner as well as its largest source of imports. In 2018, trade between Taiwan and China amounted to USD 150.5 billion.¹

Despite close economic ties, China vehemently opposes the recognition of Taiwan as an independent entity. It puts political and economic pressure on other countries to reduce contact with Taiwan. As the geopolitical heft of China increased, this pressure has increased. As a result, despite a healthy economy and democratic credentials, Taiwan struggles to expand its international presence and the opportunities that come with it. As on date, Taiwan has official diplomatic relations with just 15 countries.² Of course, several other countries, too, continue to engage with Taiwan, albeit through unofficial channels. However, these States are coming under increasing pressure from China to dissociate themselves from Taiwan

While previous democratic governments in Taiwan had not publicly advocated a pro-independence stance vis-à-vis China, this is beginning to change, partly in response to increasing Chinese bellicosity. President Tsai Ing-wen of the Democratic Progressive Party, who came to power in 2016 and subsequently got re-elected in 2020, has taken a much more "pro-independence" approach.

¹"Economy", Government Portal of the Republic of China (Taiwan), https://www.taiwan.gov.tw/content_7.php

²"Diplomatic Allies", Policies and Issues, Ministry of Foreign Affairs Republic of China (Taiwan), <https://en.mofa.gov.tw/AlliesIndex.aspx?n=1294&sms=1007>

Within this political and international context, this article attempts to make a case for greater recognition of Taiwan's potential as part of the Indo-Pacific region. The first section looks at the changing dynamics of Taiwan's internal politics since 2016, while the second examines China's and the USA's past relations with Taiwan. The third section attempts to analyse the recent developments in Taiwan's relations vis-à-vis China and the USA. The fourth section looks at Taiwan's policies for regional connectivity with special focus on the New Southbound Policy and where it stands today. This section also attempts to answer the question of whether recent political developments in Taiwan with respect to China and USA have created the right time for greater engagement with Taiwan.

Changing Dynamics of Taiwan's Politics

The Democratic Progressive Party's (DPP) victory in 2016 and the election of Tsai Ing-wen as President of Taiwan marked a major political shift in the nation. Tsai Ing-wen secured a massive majority of 56% while the incumbent Ma Ying Jeou of the Kuomintang secured only 31% of the vote.³

This is significant because for the first time since democratic elections took place in the country, the difference between two Presidential candidates was quite so large. Ma's defeat was a result of widespread displeasure over his policies. The urgency with which he tried to negotiate a trade and service deal, under the bilateral Economic Cooperation Framework Agreement (ECFA) between China and Taiwan did not go down well with the island's population. The popular civilian protest against this move, which began in 2014, came to be known as the "Sunflower Movement". The supporters of the movement argued that an economic deal with China would not result in Taiwan's economic growth in any substantial manner but would, in fact, lead to an increase in China's stronghold over the region and its economy. The result of the 2016 election was also symbolic of a greater reality beyond domestic concerns — that the current Taiwanese generation does not feel the same cultural and political connect to China as their ancestors did, and, consider their identity to be a purely Taiwanese one.⁴

Many analysts argued that DPP's win in 2016 was just another phase of Taiwan's politics and would not necessarily lead to a change in the status-quo vis-à-vis China. However President Tsai's re-election in 2020 with a vote share of 57% goes against this assertion⁵.

³"2020 Presidential and Vice Presidential Election", Election Results, Central Election Commission, <https://www.cec.gov.tw/english/cms/pe/32471>

⁴Sheryn Lee and Ben Schreer, "Time to start worrying again?: Cross-strait stability after 2016 Taiwanese elections", *Australian Strategic Policy Institute* (March 2016): 3-4

⁵"2020 Presidential and Vice Presidential Election", Election Results, Central Election Commission, <https://www.cec.gov.tw/english/cms/pe/32471>

Foreign Policy Approach of China and the USA vis-à-vis Taiwan

In the midst of the Cold War between the Soviet Union and the United States of America (USA), the USA-China rapprochement took place, which led to the USA revoking its diplomatic recognition of Taiwan in 1979 and subsequently recognising People's Republic of China as the legitimate government of all of China. Since then, the USA maintains unofficial relations with Taiwan based upon the Taiwan Relations Act. At the heart of this Act is a security relationship whereby USA commits to protecting Taiwan from any unwarranted Chinese aggression. The Act laid down three essentials. First, the USA's relations with Taiwan would be carried out through a private organisation called the "American Institute in Taiwan". However, the Institute functions exactly like an embassy and employs US government staff. Secondly, the act envisaged that the USA would maintain such capacity as to prevent any coercion that could potentially threaten Taiwan's security and socio-economic system. Finally, USA would make defence-related articles and services available to Taiwan in a manner that would ensure the sufficiency of its self-defence capability.⁶

For the longest time, the "1992 Consensus" which espouses the idea of "One China", but leaves what it specifically means open to interpretation, was the foreign policy cornerstone of China-Taiwan relations. In 2004, the then Chinese President, Hu Jintao, expressly stated that central to Beijing's policy towards Taiwan was the prevention of its "*de jure* independence". This was the time when China's stature in global politics was rising and the US government was following a policy of ambiguity by not supporting any argument that overtly favoured Taiwan's independence. During this period, both China and USA advocated the "One China" principle, by which China meant its "eventual reunification" with Taiwan but the USA expressed it to mean a "peaceful resolution" of differences. This difference in interpretation was a deliberate policy decision on the side of both the parties. In this period, Ma's Kuomintang was in power and they also had a pro-China approach. This period saw a massive boost in economic relations between China and Taiwan. The Economic Cooperation Framework Agreement was brought in place and services such as shipping, direct flights and postal services were opened up between both the sides.⁷

A shift took place in 2012, when Xi Jinping became the President of China. The issue of Taiwan was not an immediate national priority for the Chinese government focus at this juncture. Instead, Beijing concentrated upon mainland China's own economic development. Large geopolitical projects, such as the Belt and Road Initiative, were launched. Xi did, however, advocate economic cooperation between China and Taiwan, based upon "political trust" and the "One China principle". He advocated this at the Asia-Pacific Economic Cooperation meet in 2013. By 2014, however, Xi Jinping took a more aggressive stance on the Taiwan issue. He stated that the "Chinese Dream" was

⁶"Taiwan: Political and Security Issues", Congressional Research Service, last modified January 4, 2021, <https://fas.org/sgp/crs/row/IF10275.pdf>

⁷Jing Huang, "Xi Jinping's Taiwan Policy: Boxing Taiwan In with the One-China Framework", in Taiwan and China eds Lowell Dittmer, (Oakland: California University Press, 2017), 240-242

linked to “Taiwan’s future” and strongly opposed any ideas of Taiwanese independence. At the same time, China tried to keep the Taiwan issue out of its bilateral discussions with the USA.⁸

Thus, during Xi’s initial years as President, he played a balancing act by advocating a “One China” policy at the domestic level, while isolating Taiwan at the international one. His government focused solely upon economic cooperation with Taiwan.

Recent Developments and a Changing Approach to Taiwan

In 1982, the then US President, Ronald Reagan, made certain assurances to Taiwan when the island State was concerned about ongoing discussions between Washington and Beijing. The document detailing this was declassified by the Trump administration in 2020. These assurances were that the USA would not consult China with regard to arms sales to Taiwan. Further, it added that the USA would not set any date by which it would end such arms deals with Taiwan. Despite these revelations, David Stilwell, the US Assistant Secretary of State for East Asian and Pacific Affairs, reiterated that the Taiwan Relations Act mandated only that the USA must maintain a “capacity” to defend Taiwan but was not obligated to do so. Nevertheless, in light of deteriorating US-China ties, the Trump administration took a much more engaged approach to Taiwan by providing developmental aid to countries that were Taiwan’s diplomatic partners. The two countries also launched a joint Indo-Pacific initiative, namely, “*Consultations on Democratic Governance in the Indo-Pacific Region*”.⁹

Reacting strongly to the USA’s greater interest in Taiwan, China, too, has ramped-up its rhetoric with respect to the island-state. In 2020, China first passed the “New Security Law” in Hong Kong and, soon thereafter, turned its policy focus upon Taiwan and stated that it supports a similar “two systems, one country” plan for the latter. These remarks were opposed by Taiwanese President Tsai Ing-wen, who reiterated that Taiwan was already an “independent country” and did not support the so-called ‘1992 Consensus’. These developments have caused a paradigm shift in China-Taiwan relations as well as in the dynamics of Taiwan’s political acceptance.

According to a Reuters special report¹⁰, China has adopted a “grey-zone” warfare approach towards Taiwan with the objective of subduing the island through exhaustion. According to the Taipei-based Institute for National Defence and Security Research, the Chinese Air Force made 380

⁸Jing Huang, “Xi Jinping’s Taiwan Policy: Boxing Taiwan In with the One-China Framework”, in Taiwan and China eds Lowell Dittmer, (Oakland: California University Press, 2017), 242-245

⁹“Taiwan: Political and Security Issues”, Congressional Research Service, last modified January 4, 2021, <https://fas.org/sgp/crs/row/IF10275.pdf>

¹⁰Lee, Yimou, Lague, David and Blanchard, David, “China launches ‘gray-zone’ warfare to subdue Taiwan”, *Reuters*, December 10, 2020, <https://www.reuters.com/investigates/special-report/hongkong-taiwan-military/>

incursions in Taiwan's Air Defence Identification Zone (ADIZ) in 2020.¹¹ China has adopted an approach of aggressive strategic signalling with respect to Taiwan by showcasing its air-power, landing exercises, naval patrols, cyber-attacks and by seeking diplomatic isolation of Taiwan. This strategic signalling was not without its international ramifications, and, in 2019, the Solomon Islands and Kiribati cut diplomatic ties with Taiwan and recognized Beijing instead.¹² On the other hand, the international community at large seems to have been unimpressed by these Chinese military tactics. They are not a new development and such behaviour is considered routine during politically tense times. Ignoring the strategic signals emanating from Beijing, the Trump administration announced seven arms sales to Taiwan amounting to USD 13.25 billion and the US Navy carried out 11 Taiwan Strait transits in 2020.

A particularly significant development took place on the 9th of January, 2021, when the outgoing Trump administration's Secretary of State, Michael Pompeo, announced that the US government had removed all restrictions on contacts and interactions between the USA and Taiwan's diplomats, service members and other official personnel. In his statement, he further mentioned that these "*self-imposed restrictions*" were "*...an attempt to appease the Communist regime in Beijing. No more.*"¹³

There was no immediate response from the Taiwanese President's office. Taiwan's cautious behaviour typifies its balanced approach and its decision to wait and gauge the incoming Biden administration's response to recent developments. Even China's own response was a cautious one, which suggests that Beijing, too, may be waiting to understand the Biden administration's approach to the Taiwan issue.¹⁴

Although the Trump administration's announcement, in and of itself, signals a major political shift, it would be premature to over-emphasise its importance in changing the status-quo. However, the fact that the dynamics of Taiwan's political acceptance have changed is clear; owing, at least in part, to the greater distance emerging between the policy positions of Xi Jinping and Tsai Ing-wen.

¹¹William Langley, "PLA warplanes made a record 308 incursions into Taiwan's airspace in 2020, report says", *South China Morning Post*, January 6, 2021, <https://www.scmp.com/news/china/military/article/3116557/pla-warplanes-made-record-380-incursions-taiwans-airspace-2020>

¹²Kate Lyons, "Taiwan loses second ally in a week as Kiribati switches to China", *The Guardian*, September 20, 2019, <https://www.theguardian.com/world/2019/sep/20/taiwan-loses-second-ally-in-a-week-as-kiribati-switches-to-china>

¹³Michael R. Pompeo, Secretary of State, "Lifting Self-Imposed Restrictions on the U.S.-Taiwan Relationship", Press Statement, U.S. Department of State, January 9, 2021, <https://2017-2021.state.gov/lifting-self-imposed-restrictions-on-the-u-s-taiwan-relationship//index.html>

¹⁴Ryan Hass, "After lifting restrictions on US-Taiwan relations, what comes next?", *Brookings*, January 11, 2021, <https://www.brookings.edu/blog/order-from-chaos/2021/01/11/after-lifting-restrictions-on-us-taiwan-relations-what-comes-next/>

Development Council of Taiwan, when he stated, “*The overall restructuring of supply chains will give India a very unique place and attract many Taiwanese companies to invest in the country*”. He argued that given the US-China trade war and the disruptions in global supply chains caused by the pandemic, both the parties need to take advantage of this opportunity to boost economic engagements.¹⁸

This sentiment was reciprocated by Gourangalal Das, the Director-General of India’s *de facto* embassy in Taiwan - the ‘India Taipei Association’. While earlier, the focus of the Association was largely on promoting tourism and higher education¹⁹, it is now keen to enhance economic cooperation.

India must look to actively engage with Taiwan through the ‘New Southbound Policy’ of the latter, which offers enhanced scope for engagement, collaboration and information and resource sharing across various major and emerging sectors. The Director-General of the India-Taipei Association has also stated that the New Southbound Policy “*compliments India’s Act East policy*”, which *prima facie* rings true. These statements of convergence at the diplomatic level must be channelised by the government as a whole, as well as by Indian industry.

The health sector is a major area in which India could engage with Taiwan, promoting mutually beneficial adoption of each other’s best practices, and, via information- and resource-sharing. Taiwan was able to successfully manage the COVID-19 crisis due to its efficient public health care system and has one of the most technologically-advanced medical-equipment industries in the world. To help India in its fight against COVID-19, Taiwan donated 1.2 million N95 face-masks to India.²⁰

In the following decade, another major area of focus may be that of the ability of nations to move towards environment-friendly, sustainable practices. In this context, India needs to engage Taiwan in such areas such as blue energy, smart machinery, and biotechnology, in all of which Taiwan has made great strides.

To further cooperation between India and Taiwan, think-tanks and research institutes of the two countries must increase engagement with each other. It is only through increased dialogue that new

¹⁸Wayne Lin, “India-Taiwan trade prospects look promising in 2021: TAITRA”, Taiwan External Trade Development Council, last modified January 4, 2021, https://www.trade.gov.tw/english/Pages/Detail.aspx?nodeID=855&pid=711932&dl_DateRange=all&txt_SD=&txt_ED=&txt_Keyword=&Pageid=0&utm_source=mofa_nspp

¹⁹Chen Yun-yu and Emerson Lim, “Top Indian Envoy discusses priority areas of cooperation with Taiwan”, *Focus Taiwan*, January 9, 2021, <https://focustaiwan.tw/politics/202101090002>

²⁰“Taiwan and the Asia-Pacific region cooperation and assistance to combat COVID-19”, Ministry of Foreign Affairs Republic of China (Taiwan), last modified October, 2020, https://ws.mofa.gov.tw/001/Upload/OldFile/UserFiles/files/Taiwan%20and%20the%20Asia-Pacific_1102.pdf

and greater areas of policy convergence can be identified and a subsequent base of networks created to communicate those policy convergences to relevant bodies.

Conclusion

India's foreign policy towards Taiwan is guided by the "One-China" principle. However, bilateral ties with China cannot be allowed to have the final word in determining India's engagement with Taiwan. In the aftermath of the COVID-19 pandemic, India must focus on increasing trade and cooperation with like-minded countries. The several points of convergence between India's "Act East" policy and Taiwan's "New Southbound Policy" must be realised by India in a manner that helps it advance its development goals as well as increase connectivity and dialogue with important partners in the Indo-Pacific Region.

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