

Eastern Monitor

Great Power dynamics in the Taiwan straits: What lies ahead?

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Summary

The history of the ‘Taiwan straits’ issue dates back to the Kuomintang’s loss in the Chinese Civil War in 1949. Since then, the conflict has been anything but calm or resolved. Nevertheless, it is now, in the past couple of months and years, that we see the resurgence that gives it a new life, and maybe a new future. This paper aims to delve into a path the conflict might take in the time to come while presenting the reader with possible scenarios we might see in the next couple of years. Its goal is not to provide answers and offer solutions, merely to aid in understanding the dynamics behind the ‘Great Power play’ in the straits, while touching upon the innate issues that drive them. The main focus will be put on the developments of the past and the coming decade, rather than delving into the conflict’s history and its very beginnings.



The state of play

In 2021 the ‘Taiwan straits’ conflict celebrates its 72nd anniversary. To some, it is a question of a ‘rebellious province’ that needs to be taken back under the wings of the central government; to others, it is a fight for democracy, freedom and the right to self-determination. Taking neither stance, the Taiwan straits have started getting into the limelight in recent years, and especially, months. Air incursions are becoming more and more common, China’s rhetoric, especially after the situation in Hong Kong, is becoming more assertive, while the US Navy and its allies are deploying more and more warships to the Straits. Meanwhile, PRC/ROC military budgets are rising, clashes at sea happen more often, and the importance of the ‘Taiwan issue’ in elections¹ on both sides of the Straits is becoming more prominent.

The situation is influenced not only by national issues, such as the housing and energy market crises in mainland China, enactment of the security law in Hong Kong, to the re-election of Tsai Ing-Wen and rising ‘anti-China’ sentiment within the Taiwanese public. Glancing into the future, we should also keep a close look at the upcoming 2022/2023 race to replace the top PRC leadership in Beijing.

The Straits are not, however, only about China and Taiwan. The US government has been switching its focus from Europe to the Indo-Pacific with its three recent foundational policy documents², while the EU has just followed suit with its brand new 2021 Indo-Pacific Strategy. These initiatives have affected geopolitical mood in the area, adding up to China’s already dissatisfied neighbours fighting its influence in the South China Sea dispute.

¹ Classic multi-party elections in case of the ROC (Taiwan), ‘Rubber-stamp’ National People’s Congress elections and behind-the-scenes process of choosing the Beijing leaders in case of the PRC.

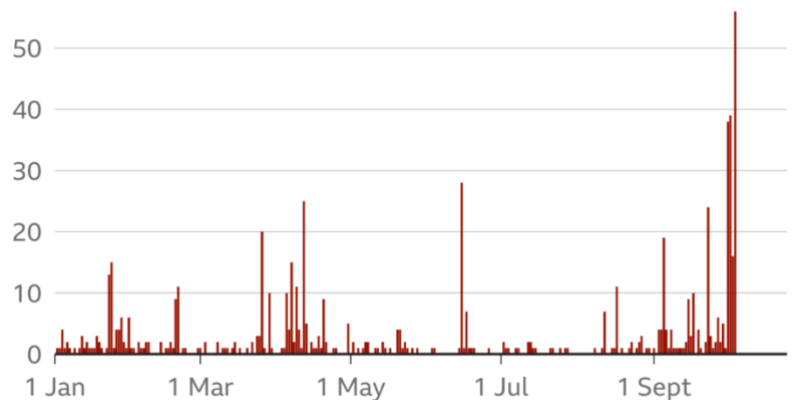
² 2017 National Security Strategy, 2019 Indo-Pacific Strategy Report and 2019 Free and Open Indo-Pacific: Advancing a Shared

A new era of gunboat diplomacy?

The cross-strait relations have never been rosy, but especially in the last two months of September and October 2021, a hitherto unprecedented escalation has occurred. On 1st October, celebrating the anniversary of the founding of the PRC, Taiwan has experienced the largest-ever incursion into its air defence identification zone by the PRC’s jets³. This number of incursions has been constantly rising since the start of the year.

Incursions into Taiwan's Air Defence Identification Zone are on the rise

Chinese military aircraft sorties reported this year



Source: Taiwan Ministry of National Defence



Chart 1: Incursions into Taiwan’s Air Defence Identification Zone since the start of 2021⁴

From there, a consistent escalation has followed on both sides. The rising amount of air incursions, as

Visions. - <https://www.chathamhouse.org/2021/03/indo-pacific-strategies-perceptions-and-partnerships/02-us-and-indo-pacific>

³ <https://www.dw.com/en/taiwan-rebuked-china-over-largest-ever-air-incursion/a-59375663>

⁴ <https://www.bbc.com/news/world-asia-58812100>



well as subsequent diplomatic conflicts, does not, however, mean that a hot conflict is imminent. Even though China's People's Liberation Army is reaching the point at which it is capable of winning a potential invasion,⁵ such conflict would be too costly, from either diplomatic, economic or military perspective. The uncertainty on the severity of the inevitable backlash by the international community further exacerbates this reluctance, as China's import/export-dependent economy would not survive global isolation. Recent escalations rather serve as a pretext to seize diplomatic and economic concessions on the global and regional scale. From better conditions in the upcoming Phase Two Trade Deal with the United States, scaring its neighbours into joining China-led pacts, such as Regional Comprehensive Economic Partnership or Shanghai Cooperation Organization, to simply telling the world that it will not tread lightly in its other territorial conflicts in the South China Sea or the Himalayas.

From a long-term perspective, the Chinese government still claims to aim for a 'peaceful reunification' via its 'cross-strait dialogue' format. Nevertheless, its military strategy points out a couple of red lines for Beijing that would make it use force against Taiwan. Such as "Foreign intervention in Taiwan's internal affairs", "Foreign forces stationed in Taiwan" or "Indefinite delays in the resumption of cross-strait dialogue on unification"⁶. However, after the election of pro-freedom Tsai Ing-Wen in 2016, this dialogue has significantly stalled.⁷ Both sides have last met on the highest level before her election, in Singapore in 2015. The US has further joined the fray with its Ambassador to Palau, John Hennessey-Niland, visiting Taiwan in April 2021 in a first-ever US Ambassador-level visit in more than 40

years, while accompanying Palau's president.⁸ All of the aforementioned developments signify a changing trend in the PRC-ROC relations, which Beijing might interpret as a crossing of one of its red lines. The latest of them was the confirmation of US army instructors being stationed in Taiwan to train local troops in October 2021⁹.

Beijing's dissatisfaction is reflected mainly in its military budget increases. China has been steadily increasing its defence budget for the last decade, with the most recent hike in 2021¹⁰ representing a 6,8% increase from the last year¹¹, an unusually large increase compared to the official statistics since 2011.¹² Despite the gulf between the US and China in terms of military spending, China remains far ahead of most of its Asian neighbours; thus, it is unsurprising that a resurgence of new regional power formats, such as QUAD+ or AUKUS are emphasized more strongly.¹³ Taiwan's own 2022 record defence budget of 17 billion US dollars, a 5,6% increase from 2021¹⁴, can barely compete with the Chinese, despite the last-minute effort to add up another 8,69 billion dollars¹⁵. On the other hand, China's growing influence is a source of concern both within and outside the region, thus bolstering Taiwan's security through tenuous alliances.

⁵ <https://www.brookings.edu/on-the-record/understanding-beijings-motives-regarding-taiwan-and-americas-role/>

⁶ https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/210607_Cordeman_Chinese_Strategy.pdf?f7G7hUZdWUVJgaJzyC4E9Qj1m3w13SfjQ

⁷ <https://thediplomat.com/2015/11/historic-china-meeting-wont-ease-taiwans-trade-woes/>

⁸ <https://thediplomat.com/2021/04/us-ambassador-makes-first-visit-to-taiwan-in-more-than-40-years/>

⁹ https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1917497.shtml

¹⁰ Budget for 2022 is not available at the time of writing

¹¹ Official and independent (conducted by SIPRI) statistics vary, independent statistics are not available for the years 2020 and 2021 as of yet.

¹² <https://www.csis.org/analysis/understanding-chinas-2021-defense-budget>

¹³ <https://www.aljazeera.com/news/2021/10/15/japan-south-korea-bilateral-ties-tensions>

¹⁴ https://www.voanews.com/a/east-asia-pacific_china-more-assertive-taiwan-mulls-bigger-defense-budget/6219230.html

¹⁵ <https://www.reuters.com/world/asia-pacific/taiwan-proposes-extra-87-bln-defence-spending-over-5-years-2021-09-16/>



China's Estimated Defense Spending

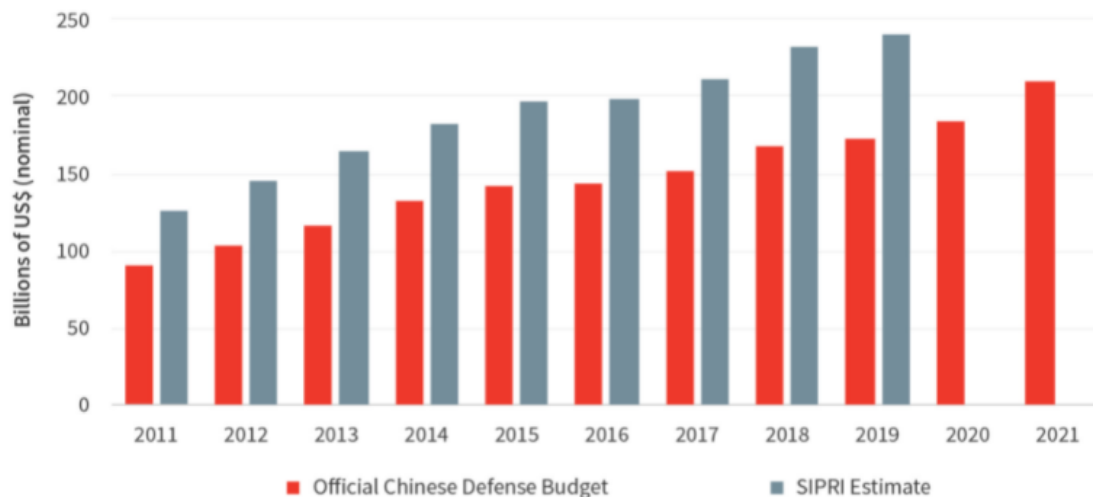


Chart 2: China's Estimated Defence Spending statistics for years 2011-2021¹⁶

Geopolitical perspective

China is surrounded by either outright adversaries or strategic competitors, with North Korea representing the sole exception. Taking the lack of international friends and tumultuous history into account, China has developed a very specific 'Wolf Warrior' ¹⁷ approach to international diplomacy, pushing onwards with its assertive diplomatic approach. Its phalanxes of diplomats are not afraid of insulting foreign leaders or claiming that any critique of China equals to "interference in its domestic affairs" and double standards by the Western community¹⁸. This has contributed to diminishing the already meagre international public support that China had as a result. For comparison, China's approval ratings in Japan have dropped from 55 percent in a Pew 2002 survey to 5 percent in 2020. Public opinion in France, China's biggest supporter in the survey, went down from 58 percent to 26 percent respectively. When looking directly at Xi Jinping, in 2020 in China's

neighbouring South Korea, 83 percent of locals had no trust in him¹⁹.

Nevertheless, Xi is currently at the helm of the Straits issue and is most likely here to stay. Since his first term in 2012, he has amassed probably the most power any Chinese leader did since Mao Zedong while getting rid of almost all internal opposition. As a result of this, as well as the current Chinese economic might, he is able to project China's power internationally more than ever before, and Xi needs to be seen strong. In the upcoming 2022/2023 CPC National Congress, he is expected to push for a third term as CPC's General Secretary, while surpassing the customary limit of 70 years of age. In Chinese politics, this represents something as scandalous as ignoring the results of free and fair elections in a democratic country.

¹⁶ <https://www.csis.org/analysis/understanding-chinas-2021-defense-budget>

¹⁷ <https://www.nbr.org/publication/understanding-chinese-wolf-warrior-diplomacy/>

¹⁸ <https://thediplomat.com/2021/09/china-wolf-warrior-diplomacy-and-taiwan/>

¹⁹ <https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/>



Given the situation he is facing, the power he has accumulated, the diminished presence of the US and the EU in its geopolitical vicinity and the popular hunger for the restoration of China's past might, he has embarked on a stroke of diplomatic incidents in China's neighborhood, most notably in the South China Sea, the Himalayas and the Straits. This will provide him with not only further public support from China's highly nationalistic populace, which has even been calling for a "strike on Taiwan, while the world is busy"²⁰, but also with an excuse to take extraordinary measures against possible opponents of his third term. It also provides him with a topic to put people's attention to, shifting their gaze from China's recent troubles with the energy and housing markets, constant water and air pollution, and the persecution of Uyghur nationals.

This is all extremely important at the times of unprecedented popularity of Taiwan's regime and Tsai Ing-Wen, whose approval ratings in Taiwan were reaching as high as 73% in May 2020²¹. At the same time, the main Taiwanese opposition, the pro-Chinese Kuomintang was polling just around 10%²². Since then, Tsai's approval dipped to 59,8% in March 2021, which is still an unprecedented high in a democratic country, particularly taking the pandemic into account²³. Taiwanese opposition to China does not only stem from the persona of its president though. In a 2019 survey, 90% of Taiwanese said that they have no confidence in China's assurances for non-intervention and life

under the 'One Country, Two systems' plan after reunification²⁴.

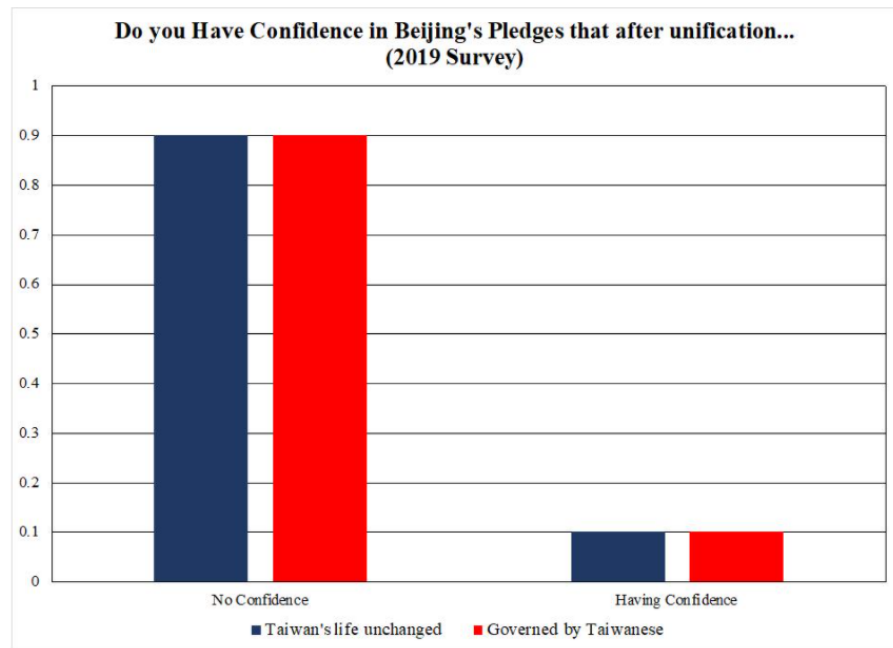


Chart 3: 2019 poll of Taiwanese trust in China's promises for life after reunification²⁵

International outlook

The conflict is, however, fuelled not only by the Chinese assertiveness and Taiwan's resistance but also by international actors with significant interests in the region. These international actors can broadly be categorized into three categories. The first group consists of China's concerned neighbours, be it Japan, South Korea, Philippines, Vietnam, India or Australia. Their main agenda is to multilaterally balance China out, especially as many of them have ongoing territorial disputes with Beijing. The second group is represented by the United States. The US has recently started shifting its former European focus to the Indo-Pacific. Represented by newly established QUAD+ format, change of name of the

²⁰ <https://www.scmp.com/news/china/politics/article/3083696/china-tries-calm-nationalist-fever-calls-invasion-taiwan-grow>

²¹ <https://www.taiwannews.com.tw/en/news/3936547>

²² <https://www.taiwannews.com.tw/en/news/3929724>

²³ <https://www.taipeitimes.com/News/taiwan/archives/2021/03/05/2003753290>

²⁴ <https://thediplomat.com/2020/07/hong-kong-national-security-law-the-view-from-taiwan/>

²⁵ Ibid.



US Pacific Command to US Indo-Pacific Command, new infrastructure programs in the region to counter China's Belt and Road Initiative, nuclear submarine deal with Australia to simple Covid-19 help to its Indo-Pacific partners²⁶. The last is the European Union. Unveiling its Indo-Pacific strategy in September 2021, the EU is trying to catch up with the previously neglected region in its diplomatic agenda. Compared to the first two groups that mainly focus on military cooperation, the EU's strategy does not specifically name China as its adversary. Instead, it focuses on environmental, digital, economic, human rights and connectivity cooperation²⁷.

Conclusion

As the current developments show, the Straits are becoming a more contentious issue by the day. China's growing economic and military prowess emboldened by Xi Jinping's assertiveness, combined with the EU's lack of physical presence in the region, the US' rising isolationism and a lack of strong pan-Asian institutional framework let China roam almost free, with close to no real opposition. This allows China to dictate the terms of the geopolitical dynamic. Coupled with the upcoming 2022/2023 National People's Congress, domestic situation in the mainland and Taiwan's profound resistance towards Beijing's ideological goals, we should expect further escalation in the months to come. As a result of which, the EU and United States will likely try to catch up in its lack of presence in China's vicinity, as Russia is not viewed as the primary global adversary anymore. Nevertheless, even a massive Western build-up in support of Taiwan is unlikely to divert China from its reunification agenda (in one form or another). Xi is now, more than ever, in need of scoring political victories to conclude his image of China's another 'Eternal Chairman' whose legacy will last at least as long as Mao's did.

We should also expect to see more inclination towards cooperation between Taiwan and other democratic states, such as in the recent case of Lithuania. The EU public's heavy distrust²⁸ of China is just one factor, China's global assertiveness and economic and military might another. Compared with Taiwan being one of the most successful and robust Asian democracies, it is expected to become harder and harder for the likes of the EU in the West to keep arguing that they want to represent the norm-based diplomatic approach while bowing to China. This might fuel further conflict, as Xi Jinping is unlikely to back down from its reunification agenda, as it would destroy his image of a 'nationalist hero'.

Against China, Taiwan cannot simply stand alone. President Biden's approach will prove crucial in the geopolitical calculus for all actors within the region. Despite the pledges to defend Taiwan, the US is withdrawing from international conflicts globally, raising questions on how far the US government will be willing to go in a protracted conflict with China. Caught in the middle of it all, Taiwan under Tsai Ing-Wen is not expected to back down either. Especially as Tsai has just been re-elected in 2020 for her second term and has successfully portrayed herself as a bulwark against any incursion from the mainland. She has not been afraid to stand firm against a substantially stronger country, and for which she is backed by a wide political and public consensus. In a 2021 survey, 9 in 10 Taiwanese said that they oppose China's 'One Country, Two Systems' approach, which effectively means annexation of Taiwan.²⁹ Furthermore, with the global supply chain crisis and Taiwan is one of the few microchip producers in the world, one of the most currently sought-after goods, it is only expected that the interest of the world actors in the Cross-Straits relations will grow even further.

²⁶ <https://www.chathamhouse.org/2021/03/indo-pacific-strategies-perceptions-and-partnerships/02-us-and-indo-pacific>

²⁷ https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_4709

²⁸ https://ceias.eu/wp-content/uploads/2020/11/COMP-poll-report_3.pdf

²⁹ https://news.yahoo.com/poll-almost-9-10-taiwanese-184348279.html?guccounter=1&guce_referrer=aHR0cHM6Ly9

3d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAHZ4n4ynaJPaM-GPz_Bf0INiM9cmatpEelDqs6KxDOUrBN2JQowhSJC21CtCce9ljv96L_ez4LhtUqebmrB9lz2P5Xp1S6m0HFTFu6EZAj-00QsohGyaEReci6rGQvSI0ATJZbsAEIIXHM8xGiphPpt0aa49hgL7fidHU5HZEJ



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