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Rising Tensions in China-Taiwan Relations

Justyna Szczudlik

China (PRC) is trying to limit Taiwan's international space and undermine support for the island's incumbent ruling party. The U.S. actively supports Taiwan, as part of the American president's policy towards China. This year, one may expect an increase in Chinese pressure on Taiwan because of upcoming parliamentary and presidential elections scheduled for early 2020 on the island. China's activity gives insight into how it may try to influence U.S. allies.

On 2 January, Chinese leader Xi Jinping delivered his first speech devoted entirely to Taiwan. The reason was the 40th anniversary of the PRC's "Message to Compatriots in Taiwan," in which China signalled a change in its policy towards the island from "liberalisation" to "peaceful reunification." This message was also sent after the normalisation of PRC-U.S. ties (formally, 1 January 1979). Xi's address was in response to Taiwan President Tsai Ing-wen's New Year's message in which she confirmed that she will not change her policy towards China, meaning she will not agree to the Chinese conditions for dialogue. Xi's speech, in which he did not rule out the use of force against the island, was delivered in a period of modification in Taiwanese policy. Cross-strait relations have been deteriorating [since 2016, when the Democratic Progressive Party \(DPP\) took power on the island](#). Currently, apart from elements of continuity remaining from the nationalist party's term (Kuomintang, or KMT, 2008–2016), favoured by the PRC, a new phenomenon is becoming apparent and dominant.

Elements of Continuity. China's goal of "peaceful reunification" remains unchanged. It exerts pressure on the island to recognise the "1992 consensus" as a condition for dialogue. It assumes there is "one China" with different interpretations. Generally, both political and economic pressure has been used by China for a long time. During the KMT government, relations were based on closer economic ties. However, this approach led to Kuomintang's defeat in 2016. Among the reasons was dissatisfaction among young Taiwanese (who comprised the Sunflower Movement protests) due to the rapid pace of changes in relations with the PRC and neglect by the government of public opinion on its policy towards the mainland.

Taiwan's goal has not been changed. The DPP, like the KMT, declares its willingness to maintain the *status quo*. This means a departure from DPP's image as a pro-independence party, which it presented during its previous government in 2000–2008. Taiwan's attempts to expand its international activity should be considered a continuation. It manifests its willingness to participate in multilateral organisations, e.g., as an observer, to strengthen "non-political" relations with countries that do not recognise Taiwan, e.g., through trade agreements (Taiwan as a separate customs territory and WTO member), participation in international sports events, etc.

China's New Policy Accents. The PRC has closed off formal channels of communication with the island—regular meetings of foundations (ARATS and SEF) and contacts between the Taiwan Affairs Office and Mainland Affairs Council. This means an end to the "diplomatic truce," which during KMT's term helped the island expand its international room to manoeuvre (e.g., Taiwan signed its first FTAs with two countries with which it does not have formal diplomatic relations—New Zealand and Singapore—and received observer status in WHO, among others).

China is trying to isolate Taiwan. During Tsai's term, five countries (Sao Tome and Principe, Panama, Dominican Republic, Burkina Faso, El Salvador) cut diplomatic ties with Taiwan and then established them with the PRC. China also established relations with Gambia (just after DPP's victory in 2016), although the country terminated ties with the island in 2013, under KMT's rule. Due to PRC pressure, under the DPP Taiwan has not taken part in any meeting of an international institution important to the island. Moreover, the Chinese authorities limit organised tourist trips from the mainland to Taiwan while those who do go are directed to regions that generally support KMT. The intensification of tourism under KMT was a signal of growing trust between the two sides. A further manifestation of Chinese pressure on Taiwan is military manoeuvres around the island. What is more, ahead of local elections in Taiwan in November 2018, China was using disinformation campaigns to try to undermine support for the DPP. A new form of pressure has been attempts to persuade airlines and hotel chains to remove information about Taiwan from their reservation systems that may suggest that the island is an independent entity.

China also applies direct incentives for the Taiwanese that in a sense bypass the island's authorities. A good example of this is the "31 Measures" document issued in 2018 by Chinese authorities as an offer for Taiwanese entrepreneurs and young people to work or study on the mainland under the same conditions as PRC citizens. It is also an indirect response to Taiwan's internal problems, which mainly affects young people (e.g., wage stagnation). Xi also presents a vision of Taiwan after unification, based on the "one country, two systems" principle. He has stated that the democratic political system, religious freedom, private property, etc. will be preserved.

New Taiwan and U.S. Policy Accents. The scale and intensity of the Chinese actions are in response to Tsai's policy. In January, the president for the first time openly rejected the "1992-consensus" and "one country, two systems" principles. Until now, her position towards the consensus has been limited to withholding support. Tsai also presented as a condition for talks with the PRC the "four musts:" accepting the reality that there is a Republic of China (Taiwan); respect for Taiwan's democracy; peaceful resolution of disputes; and, intergovernmental dialogue, which means a return to formal communication channels. A new phenomenon since the elections in 2016 has been the situation on the Taiwanese political scene of a new pro-independence group, the New Power Party (called the "third force"), a product of the Sunflower Movement. This indicates an end to the DPP-KMT duopoly, which may hinder relations with China in the future. Tsai also has an active New Southbound Policy, which aims at closer relations with Asian countries.

China's policy towards Taiwan and President Donald Trump's attitude to the PRC means that the Taiwan factor in U.S. diplomacy is increasing. Vindication of this view is found in recent U.S. initiatives towards the island, including a decision to sell weapons to Taiwan, the Taiwan Travel Act, facilitating mutual visits of U.S. and Taiwanese representatives, and statements by Vice President Mike Pence and Secretary of State Mike Pompeo in which they openly criticise China and state American appreciation for Taiwanese democracy and other aspects.

Conclusions. Disagreement over the terms of the dialogue has resulted in a lack of communication between the Chinese and Taiwanese authorities. Since the DPP government has come to power, it has been difficult to identify any example of successful bilateral cooperation. Due to the upcoming parliamentary and presidential elections in Taiwan in January 2020, Chinese pressure could intensify. The DPP's loss and KMT's reinforcement in the local elections in Taiwan in November 2018, which were mainly because of the island's internal problems, may have convinced the Chinese authorities that their actions had been effective. However, further escalation of tensions is unlikely given China's current economic problems caused, among others, by the trade dispute with the U.S. and by the Chinese authorities' desire for a good election result for KMT in 2020.

Cross-strait relations can be used as an example of methods that China applies to other states, especially U.S. allies. The tensions between the PRC and Taiwan coincide with the growing scepticism of some European countries regarding cooperation with China, as well as intensification of the China-U.S. rivalry in Europe. Manifestation of these trends are found, on the one hand, [U.S. pressure on the EU to exclude Chinese telecommunications companies from its market](#) and, on the other hand, the PRC's prudent reaction to the detention of a Huawei employee in Poland. The reason for China's low-key stance on the latter event (the PRC is aware of the importance of Poland in its relations with the U.S.) might be to leave it room for manoeuvre in the dispute with the U.S. Meanwhile, President Tsai is trying to limit PRC-U.S. competition in Taiwan through relations with other countries, including the EU (in January, EU High Representative Federica Mogherini declared deepening EU-Taiwan cooperation). Similarly, it is in Poland's interest to work out and support the EU consensus on China, regardless of Poland's close cooperation with the U.S.

China's policy towards Taiwan is also an example of how the PRC is striving to bolster a positive image in other countries. In the case of Taiwan, the PRC bypasses the island's authorities and speaks directly to Taiwanese society. Similar activities are part of the "16+1" formula. Its basic content is people-to-people contacts, expressed as a large number of cultural, sports, educational meetings, etc. In this way, China wants to shape positive opinions about itself, mainly among young people and experts.