

Nationalism, Alliances, and Geopolitics: US-China-Taiwan Ties under Trump and Xi

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2019 marks the 40th anniversary of the founding of diplomatic relations between the United States and the People's Republic of China and the establishment of a legal framework (under the Taiwan Relations Act) to manage the unofficial relations between the U.S. and Taiwan. Both of these enduring frameworks face new challenges at systemic, interstate, and individual levels.

The election of Donald Trump, who campaigned on “making America great again,” as the U.S. president and the consolidation of power as China's leader without term limits by Xi Jinping, who is committed to bring about “national rejuvenation,” propelled populist nationalism to the forefront of each country's foreign policy and introduced volatility and unpredictability. While the two powers are jockeying for global leadership under the guise of “trade war,” concerns arise over whether a “transactionalist” president might play the “Taiwan card” to extract concessions from China.

Beijing claims Taiwan as a “core interest” that it is willing to defend with force. Xi equated the recovery of the island with “national rejuvenation” in his speech marking the 40th anniversary of “Letter to Taiwan Compatriots,” which inaugurated China's peaceful unification campaign.

The current Taiwanese administration of Tsai Ing-wen, from the historically pro-independence DPP (Democratic Progressive Party), has refrained from provoking China while rebuffing Beijing's demand that she accepts the so-called 1992 Consensus (as Beijing defines it). However, the underlying dynamics linking Taiwan's political development (evolving national identity as a result of democratization) and foreign policy (quest for security and recognition) intrinsically test alliance management.

This paper employs a three-step analytical framework to examine the prospects of U.S.-China-Taiwan relations under Trump, Xi, and Tsai. By identifying the “first move” by Taiwan (changing national identity and quest for recognition because of democratization), the “second move” by China (more forceful policy), and the “third move” by the U.S. (to restore the “status quo”), this framework has successfully explained this triangular relationship from 1996-2016. However, with the rise of populist leader such as Trump and Xi, either could make the first move, with the other making the second move, new uncertainty is introduced that previous policy may be ill-suited to dealt with, stretching the limit of this paradigm.

In contrast to the relatively amicable Ma Ying-jeou (KMT) era (2008-16), cross-strait relations have chilled considerably since Tsai Ing-wen of the DPP (Democratic Progressive Party) came to power in Taiwan in 2016. Despite Tsai's vow to maintain the status quo, China has criticized her for failing to accept the so-called 1992 Consensus – an agreement to disagree reached between the two sides' semi-official exchange bodies in 1992 – and has increased political, military, and diplomatic pressure against Taiwan. New dynamics emanating from Beijing, Taipei, and Washington promise to make 2019-20 a challenging year, requiring prudent restraint and vigilant management.

Since 1996, when Taiwan held its first popular presidential elections ushering in its truly democratic epoch, the triangular relationship among Taiwan, China, and the United States largely can be explained in a three-step sequential framework. Until 2016, typically Taiwan made the first move, which led to China making the second move, which in turn required the U.S. to make the third move – largely to restore to the status quo ante. In a nutshell, Taiwan's rapid and robust democratization has contributed to internal sovereignty but also exerted demand for external sovereignty.¹

During the Lee Teng-hui era (1988-2000) and the Chen Shui-bian era (2000-08), rising Taiwan identity that had become increasingly entrenched over time² put pressure on popularly elected leaders to safeguard Taiwan's sovereignty (clarifying Taiwan's relationship with China, if necessary) and seek greater international affirmation of Taiwan's democratic accomplishments. Taiwan's campaign to (re-)enter the United Nations (launched in 1993-4), Lee's visit to his alma mater, Cornell University (1995) and his characterization of cross-strait relations as "special state-to-state relations" (*teshu guoyuguo guanxi*) (1999), and Chen's declaration that "there is a state on either side of the Taiwan Strait" (*yibian yiguo*) (2002) all attest to the aforementioned internal-external dynamic.

In those cases, Taiwan initiated the first move (although one can argue that politicians might justify their moves in defensive terms, that is, in response to China's changing the status quo). China responded with threatening disruptive second moves, such as instigating the Third

¹ For a fuller exposition of this model and empirical details, see Vincent Wei-cheng Wang, "Prospects for U.S.-Taiwan Relations," *Orbis: A Journal of World Affairs*, 60(4)(Fall 2016): 575-591.

² Reputable longitudinal surveys in Taiwan, such as the Election Study Center of National Chengchi University, find that usually over 90% of all the respondents exhibit Taiwanese identity, including 55-60% identifying themselves only as Taiwanese and 32-38% identifying themselves as both Taiwanese and Chinese. Only 3-4% of respondents identifying themselves as Chinese. See <https://esc.nccu.edu.tw/course/news.php?Sn=166#>

Taiwan Strait Crisis (1995-6) and warning Taiwanese voters not to vote for “splittists.” The U.S., owing to its own significant interests in the Western Pacific region, its adherence to its own “One China” policy, and its commitment to Taiwan mandated under the Taiwan Relations Act and the Six Assurances, would then intervene (the third move) diplomatically or militarily to restore the status quo.³ Although arguably the U.S. was able to restore the status quo (essentially the Shanghai Communiqué Paradigm), seeds for the next cycle were also planted.

Both cross-strait and Taiwan-U.S. relations improved during the Ma era (2008-16). Guided by a policy of “pro-U.S., peace with China, and friendship with Japan” (*qinmei hezhong youri*) and accepting the so-called 1992 Consensus, Ma signaled that his administration would not initiate the first move. Professing “no unification, no independence, and no use of force” during his terms, cross-strait relations entered a period of “peaceful development.” Toward the U.S., Ma promised “no surprise” and worked to repair the relationship damaged during the Chen years. The type of internal-external dynamic characterizing the Lee and Chen eras subsided.

Starting the second Ma term, however, certain policy circles began to worry whether cross-strait reconciliation might be progressing too fast and its direction too uncertain for the U.S. with the potential for a first move of a different kind.⁴ Domestically Ma’s mainland policy met strong resistance over the Cross-Strait Service Trade Agreement (CSSTA) in the 2014 Sunflower Movement,⁵ which presaged the KMT’s electoral defeats in the 2014 local and 2016 national elections.

In 2016, Taiwan’s presidency underwent the third change of power with the election of Tsai, the first female leader. The DPP also won the legislature. Tsai staked out a middle ground: maintaining the status quo (and refraining from provocative moves) but declining to accept the 1992 Consensus (while acknowledging the “historical facts” and the “spirit of seeking similarities while preserving differences” embodied by the 1992 cross-strait talks).

³ Examples include: President Bill Clinton’s dispatch of two aircraft carrier groups to waters off Taiwan around Taiwan’s first democratic presidential elections in 1996 to defuse the military tension caused by China, President George W. Bush’s “preventive diplomacy” to dissuade Taiwan President Chen’s referenda ploy and to dress down Chen in front of the visiting Chinese Premier Wen Jiabao, and Assistant Secretary State James Kelly’s famous declaration that “the status quo as we defined it.”

⁴ Former Georgetown University diplomatic historian Nancy Tucker was the first to ask this seemingly improbable question: “If Taiwan chooses unification, should the United States care?” Nancy Bernkopf Tucker, “If Taiwan Chooses Unification, Should the United States Care?” *The Washington Quarterly*, vol. 25, no.3 (2002), pp. 15-28.

⁵ Vincent Wei-cheng Wang, [“Cross-Strait relations after the Sunflower movement,”](#) *China Policy Institute Blog* (University of Nottingham, U.K.) (26 September 2014)

Beijing has equated the 1992 Consensus with the “One China Principle” (each side affirms One China, or *gebiao yizhong*) whereas the KMT, the ruling party until 2000, held that it meant “One China, but each side has its own interpretation” (*yizhong gebiao*). Citing Tsai’s refusal to accept the 1992 Consensus, Beijing has intensified diplomatic, military, and political pressure against Taiwan.

Prima facie, since 2016 Taiwan has not been the first mover. Instead, both Beijing and Washington have attempted the first moves to change the status quo. Beijing has worked assiduously to reduce Taiwan’s already constrained international space. Observer invitations to Taiwan during the Ma years from the World Health Organization (technically only its plenary sessions, World Health Assembly) and International Civil Aviation Organization were withdrawn. In two years China snatched five of Taiwan’s diplomatic allies (Panama, Dominican Republic, El Salvador, Burkina Faso, São Tomé and Príncipe), reducing Taiwan’s diplomatic partners to seventeen and ending a “diplomatic truce” implicitly observed when Ma was in power. Militarily, Chinese warships and military aircraft began to circle-navigate Taiwan (albeit over high seas) and Chinese warplanes began to cross the symbolically important median line in the Taiwan Strait. In terms of political warfare, China began to “domesticize” cross-strait relations with its own laws and regulations.

On the New Year’s Day of 2019, on the occasion of commemorating the 40th anniversary of “A Message to Taiwan Compatriots,” Chinese leader Xi Jinping removed all pretense over Taiwan and seemed to initiate the unification process. He defined the 1992 Consensus as the One China Principle, which requires Taiwan’s unification with China. He argued the best way to achieve unification would be the “one country, two systems” model, and invited all walks of life that subscribe to the 1992 Consensus to begin a “democratic political consultation” over the “Taiwan formula” under that model (*yiguo liangzhi de taiwan fangan*).⁶ Xi tried to link Taiwan’s return to his ambitious goal of “national rejuvenation.” Xi’s assertive stance helped boost Tsai’s popularity, dealt a severe blow by the November 2014 local / midterm elections,⁷ and her winning the primary in June as DPP’s nominee for the January 2020 presidential election.

⁶ See analysis by Richard C. Bush, “8 key things to notice from Xi Jinping’s New Year speech on Taiwan,” *Orders from Chaos* (Brookings Institution Blog), 7 January 2019, <https://www.brookings.edu/blog/order-from-chaos/2019/01/07/8-key-things-to-notice-from-xi-jinpings-new-year-speech-on-taiwan/>

⁷ Vincent Wei-cheng Wang, “A ‘Blue Wave’ or a ‘Green Flop’? Making Sense of Taiwan’s 2018 Local Elections,” *Taiwan Insight* (University of Nottingham, U.K.) (30 November 2018)

Usually playing the role as the third mover to restore the status quo, the U.S. under the Trump Administration, has increasingly played the role as the second-mover (and even initially connoted a first-move possibility). Trump startled the Washington Establishment by taking a congratulatory call from Taiwan leader Tsai before his inauguration, tweeting his skepticism about the One China Policy, and revealing his transactional tendencies. The Administration's first *National Security Strategy*, released in December 2017, named China and Russia as "revisionist powers."⁸ The Administration's darkened view about China, exemplified by Vice President Pence's speech last October,⁹ captured bipartisan disillusionment about the engagement policy toward China over the past four decades.¹⁰

The United States is increasingly willing to respond more robustly, or even push back, against Chinese actions such as assertiveness in the South and East China Seas, pressure against Taiwan, execution of "sharp power," contest over global governance, trade war, 5G technology competition, etc.

Amidst an increasingly competitive U.S.-China relationship, the strategic value of Taiwan soars. The U.S. Congress passed and President Trump signed a number of pro-Taiwan laws, including Taiwan Travel Act, National Defense Authorization Act, and Asia Reassurance Initiative Act. Although these legislations largely express the sense of Congress and prescribe measures that this administration is likely to do anyway, the frequency of such overt pro-Taiwan legislations is still rare in recent years.

The most robust manifestation is in arms sales. In 2019, the Trump administration approved the sales of \$10 billion worth of arms to Taiwan. On July 8, the Trump administration told Congress it was moving ahead with a \$2.2 billion package that consisted mainly of 108 M1A2 Abrams tanks. On August 16, the Trump administration moved forward with an \$8 billion sale of 66 F-16V fighter jets to Taiwan.¹¹ The F-16V sale would be the largest and most significant shipment of weaponry to Taiwan in decades, since George H.W. Bush approved the sale of 150 fighter jets in 1992.

⁸ <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905-2.pdf>.

⁹ "Remarks by Vice President Pence on the Administration's Policy Toward China," 4 October 2018, The Hudson Institute, <https://www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-administrations-policy-toward-china/>.

¹⁰ Kurt Campbell and Ely Ratner, "The China Reckoning: How Beijing Defied American Expectations," *Foreign Affairs*, Mar/Apr 2018, <https://www.foreignaffairs.com/articles/china/2018-02-13/china-reckoning>

¹¹ Edward Wong, "Trump Administration Approves F-16 Fighter Jet Sales to Taiwan," *The New York Times*, August 16, 2019, <https://www.nytimes.com/2019/08/16/world/asia/taiwan-f16.html>.

The U.S. is also beginning to help Taiwan shore up its remaining diplomatic foothills and push back Chinese advances in the Western Hemisphere and the Oceania, even though Washington is unlikely to itself change its basic One China policy framework.

However, a prudent observer should still worry about the double-edged sword nature of the Trump Administration's pro-Taiwan stance: in the calculus of a "transactionist president," a highly valuable Taiwan may be used to extract greater concessions from China on things that matter to him, such as a trade deal, North Korea, etc.

These recent dynamics discussed above are likely to carry over into developments in 2019-20. Impetuses from each side of the triangle may combine to make the coming year challenging, requiring prudent restraint and vigilant management.

Taiwan will soon enter the campaign season for the January 2020 presidential elections. Tsai defeated former Premier Lai Ching-teh, who was favored by the Deep Green, in the DPP primaries in June. The KMT conducted its primaries in July, featuring five candidates. In the end, Kaohsiung Mayor Han Kuo-yu defeated Foxconn tycoon Terry Gou. However, Gou has yet to publicly pledge his support for Han and has left open the possibility of continuing in the race – either by leaving the KMT to become an independent, or banking his hope that Han's poll numbers will continue to drop until the KMT decides to replace Han with Gou. In 2016, the KMT nominee who won the primaries, Hung Hsiu-chu, suffered declining poll numbers and was eventually replaced by party chairman Eric Chu. This contributed to the KMT's defeat.

Will the DPP use anti-China plank to energize its base, salvage its policy unpopularity, and solidify U.S. support? Will China attempt to use "influence operations" to interfere in Taiwan's elections and produce outcomes favorable to China, as some have alleged?¹² If KMT's Han wins the presidential race, how will he re-engage with China in the aftermath of Xi's New Year Speech, which essentially pulled the rug under the KMT's version of the 1992 Consensus? Are missions by the Chinese military likely to increase in the vicinity of Taiwan in the lead-up to the elections? Will the U.S. warships, joined by other nations (such as France and Canada), increase their patrols around Taiwan? Will the Taiwan Strait become increasingly "militarized," becoming an arena for great-power competition?

¹² Paul Huang, "Chinese Cyber-Operatives Boosted Taiwan's Insurgent Candidate," *Foreign Policy*, 26 June 2019, <https://foreignpolicy.com/2019/06/26/chinese-cyber-operatives-boosted-taiwans-insurgent-candidate/>

For China, the coming year is highly symbolic. Beijing will mark the 70th anniversary of the founding of the People's Republic of China on October 1 – a milestone Xi would undoubtedly use to herald the staying power and central role of the Chinese Communist Party and his leadership of China's glorious national rejuvenation. This nationalist campaign entails three potential flashpoints on China's peripheries: progress to bring Taiwan into the fold, pressure against Japan, and challenge against the U.S. Potential escalations from increasing encounters, such as U.S. military's freedom of navigation operations in the South China Sea or Taiwan Strait and the Chinese military's expanding operations off the First Island Chain in the Western Pacific, are certainly possible.

Meanwhile, the image of Xi as all-powerful and in full control is contrasted by an alternative perception: subdued but simmering domestic discontent (thirtieth anniversary of the 1989 Tiananmen Crackdown), Hong Kong's growing disaffection about the "one country, two systems" scheme revealed by the recent and persistent protests that began with opposition to a proposed extradition agreement but had expanded to a widespread opposition to China's handling of Hong Kong, and potential challenge to Xi from within the party (purges in the name of anti-corruption campaign, premature abandonment of Deng Xiaoping's "biding one's time and hiding one's capability" maxim), and misguided policy toward the U.S. (eliciting Washington's robust pushback). Will Xi divert internal or external challenges toward a nationalist adventure, such as compelling Taiwan to begin talks over unification or use force against Taiwan? Will China snatch a few more diplomatic allies from Taiwan (for example, the Vatican, the Solomon Islands), furthering Taiwanese's sense of isolation and desperation? Will China resume the semi-official dialogue and exchange with Taiwan, broken off since 2016, if the KMT returns to power? Will China demand additional assurance that Taiwan's movement toward unification is irreversible, notwithstanding the lack of appeal of China's political system to most Taiwanese?

For the United States, should it revert back to the traditional third-move role as the guardian and enforcer of the "status quo" or more energetically play the role as the second-mover or even the first-mover to push back against Chinese offenses and challenges as a necessary component to "make America great" again? Does Trump's more robust response to China and greater propensity to help Taiwan reflect a principled statecraft informed by realism? Or they belie his negotiation styles, by maximizing leverage on his side in order to extract a favorable deal, but in reality most "chips" can be bargained over?

Trump's foreign policy has befuddled scholars and analysts. Both logical realist strands and unpredictable personalistic deal-making are found in the areas and issues he has chosen to engage in. He has announced his re-election bid for 2020. Will his hitherto foreign policy behavior be even more chaotic and episodic, as he has to focus on the domestic economy and campaign strategies to win the re-election?

So far even the Democratic members of U.S. Congress deferred to Trump's taking a harder line against objectionable Chinese commercial and other behaviors. Will a partisan rift over America's proper policy toward China develop as the presidential campaigns become more intensified?

While the prominence of Taiwan will certainly rise in the months ahead thanks to the respective and combined impetuses from all three sides of the Taiwan-China-U.S. triangle, the probability of a military flare-up is not high. Prudent restraint (by all sides) and vigilant management (primarily the U.S.) can help navigate through challenging currents. However, even a successful "muddling through" over this period does not obviate the need for a longer-term analysis on whether the current policy framework has outlived its usefulness to warrant a "paradigm shift."