

The Us Factor: Investigating The China-Taiwan Legitimacy Crisis

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Abstract

Historical analysis of the “One China” policy, its development and the subsequent legitimacy crisis between the People’s Republic of China (PRC) and Taiwan (ROC) provides the background for analyzing the position and actions of the United States in this process. This paper highlights the centrality of the US role in stabilizing this complex crisis that includes the political, military, and economic engagements. It moves further and starts with the historical background of the current political scenario which means that the paper looks into the so-called ‘One China’ policy or the Taiwan Relations Act and the Shanghai Communique where the US policy regarding China and Taiwan is explained comprehensively. Interestingly, it explains Taiwan’s plea for de jure independence and its implication on the legitimacy crisis. Also, the paper explains the policy of reunification adopted by the PRC and on the other hand, the policy of strategic ambiguity of the US to determine their effectiveness in preventing conflict and map the future action plans between the two countries. Moving to the military arena, the discussion focuses on the increased military assertiveness of China and Taiwan, which contributes to the reinforcement of the analytical claim that military bids intensify the legitimacy crisis. Integral to this discussion is the analysis of the current state of affairs regarding arms sales from United States to Taiwan and the effect on the balance of power within the Asia Pacific region, the possible future contingency plans for military confrontation and the strategic plans of United States in case of contingency planning of a conflict situation. Instead, the paper shifts to examine the economic analysis of the relations between the United States, China, and Taiwan. It identifies how economic relations work as both enabling and disabling concerns in the legitimacy crisis and provides information on how economical pressure can be applied in the regulation of behaviors within the context of primarily an economic sanction for the probable negative economic consequences of a Taiwan straits confrontation. Analyzing and discussing the aforementioned issues, this paper not only assesses the effectiveness of the US’s balancing strategy but also reveals the potential challenges and possible benefits of the conception’s implementation. Thus, the paper enlightens different possibilities and their implications if to consider the situation, and helps to deepen the understandings of the US on how to manage the China-Taiwan legitimacy crisis and other issues, which all are significant to shape a stable region and promote international relations.

Keywords: US Factor, China-Taiwan Crisis, Military, Political, Economic

Introduction

The origins of the “One China” policy and the legitimacy struggle between the People’s Republic of China (PRC) and the Republic of China (ROC) on Taiwan can be traced in the historical and political developments in the early 1900s. Taiwan was under full Chinese control in the seventeenth century and was handed over to Japan when China lost the First Sino-Japanese War in 1895 (Cheng, 2020). After the defeat of the Qing Dynasty in 1912, ROC was formed during the

period of political instability accompanied by civil wars. The Chinese Civil War, which mainly pitted the Chinese Communist Party (CCP) against the Kuomintang (KMT)-party, was waging on and off until 1945. After the Second World War, as the United States had supported the KMT, it tried to negotiate between the two parties but failed and stopped in 1947 (Zhang, 2017). The civil war ended with Mao Zedong's proclamation on October 1, 1949, of the creation of the PRC. After the defeat the KMT led by Chiang Kai-Shek fled to Taiwan with about two million military personnel and civilians and established the ROC there. The subsequent Korean war, for instance, deflected attention from Taiwan, and thereby the status quo was maintained. The US, dealing with a wider geopolitical issue of the Cold War, thus tried to maintain an equidistance with both the PRC and ROC. The Shanghai Communique of the 1970s also played a significant role, as the US for the first time adopted the "One China" policy that Beijing insisted that Taiwan was a part of China but at the same time the US maintained unofficial relations with Taiwan (Kan, 2011).

The thesis of this paper is to analyze the multifaceted approach of the United States in navigating the complex and volatile legitimacy crisis between China (PRC) and Taiwan (ROC). This analysis will explore how the US manages its strategic interests and commitments across political, military, and economic spheres. Politically, the paper will examine the historical context of the "One China" policy and the Taiwan Relations Act, assessing the challenges and implications of the US's policy of "strategic ambiguity." Among the key military issues, there will be further military development by China and Taiwan, the US arms sales to Taiwan, and the risks of the military confrontation. In terms of economy, the paper will discuss the entangled relations between the US China and Taiwan, in what ways economic relations can be used as a tool to control behaviors, and the economic implications of a conflict in Taiwan Strait. In this way, the paper will analyze whether the US's balancing act has been successful and what measures should be taken to address this significant problem without leading to armed conflict.

The Legitimacy Crisis (Political)

Recognition of PRC as the Representative of China

The joining of the United Nations on October 25, 1971 of the People's Republic of China (PRC) as the sole representative of China and the expulsion of the Republic of China (ROC) was a very dramatic change. The United States formalized this shift by recognizing the PRC and derecognizing the ROC, establishing formal diplomatic relations with Beijing. This was solidified through key communiqués in 1972, 1978, and 1982, where the US publicly acknowledged the "One China" policy, affirming that Taiwan is part of China (Kan, 2011). However, the US also passed the Taiwan Relations Act (TRA) in 1979, which created a framework for unofficial relations with Taiwan. The TRA acknowledges the Chinese position but simultaneously commits the US to assist Taiwan in maintaining its self-defense capabilities and rejects the use of force to resolve the Taiwan issue (Kan, 2011). This dual-track approach, often described as "strategic ambiguity," presents significant challenges for US policy. It aims to deter both Beijing from aggressive actions and Taipei from declaring de jure independence, thus maintaining a precarious balance (Bush, 2016). This is further compounded by Taiwan's push for formal independence, as any attempts towards this are viewed by Beijing as a significant threat to its sovereignty, deepening the

legitimacy crisis and potentially threatening regional stability. This position demonstrates the complex responsibilities the US has in the region, where on the one hand, it seeks to protect Taiwan, while on the other, it must respect diplomatic relations with the PRC, as well as the overall balance of power in East Asia.

Reunification Policy of PRC and the US Response

The People's Republic of China (PRC) began its reunification process in the 1980s with the proposal of "one country, two systems," articulated by PRC leader Ye Jianying in 1981. This proposal included nine points aimed at unification talks between the Chinese Communist Party (CCP) and the Kuomintang (KMT), granting Taiwan autonomy post-unification, and allowing Taiwanese participation in national politics (Kan, 2011). However, the KMT rejected this proposal with a "three-no policy" stance; no contact, no discussion, and no compromise (Kondapalli, 2016). President Reagan's administration maintained diplomatic ties with the PRC while offering "six assurances" to Taiwan, clarifying that the US had not agreed to mediate between Taipei and Beijing nor alter the Taiwan Relations Act (TRA) of 1979 (Kan, 2011). The TRA acknowledges China's position but commits the US to support Taiwan's self-defense and rejects the use of force in resolving the Taiwan issue. The democratic shift in Taiwan's politics in the 1980s, especially with the rise of the Democratic Progressive Party (DPP), introduced the concept of a separate Taiwanese identity, escalating tensions. Statements by Taiwanese President Lee Teng-hui in the 1990s about "special state-to-state relations" further strained US-PRC-Taiwan relations, prompting Beijing to threaten military action and questioning US commitment to the "One China" policy (Kan, 2011). Despite Clinton's administration affirming the "One China" principle, it also emphasized enhancing unofficial ties with Taiwan, reflecting the enduring strategic ambiguity in US policy (Kan, 2011).

The Legitimacy Crisis (Military)

The military buildup by both China and Taiwan has significantly fueled the legitimacy crisis in the region. Over recent decades, China has substantially increased its defense budget and military capabilities, prompting concerns from the United States about regional peace and stability. Washington has consistently urged Beijing to reduce its military assertiveness, while simultaneously maintaining unofficial relations with Taiwan and continuing arms sales to the island based on the Taiwan Relations Act of 1979, which acknowledges the need for Taiwan's self-defense. From 1982 to 1986, Taiwan imported \$2.2 billion in arms from the US, comprising nearly 90% of its total weapons imports (Kim, 2014). Beijing has condemned this arms trade, fearing that technological transfers could enable Taiwan to develop advanced weapons. In response to military exercises by the PRC around Taiwan in 1995 and 1996, the US demonstrated its support by deploying two aircraft carrier battle groups to the region, signaling serious consequences for any future military action by China (Sutter, 2013).

US arms sales to Taiwan have significantly impacted the regional balance of power, particularly through substantial military packages during the Obama and Trump administrations. The Obama administration proposed upgrades to Taiwan's F-16 fighter jets, totaling \$6 billion in 2010 and \$5 billion in 2011. The Trump administration deepened ties with Taiwan, selling over

\$18 billion in arms (Maizland, 2022). China's 18% defense budget increase announced in 2007, and subsequent statements by US officials, underscored the tensions between Beijing's military ambitions and its professed goal of peaceful rise (US-China relations, 2022). The Biden administration has continued these policies, supporting arms sales and encouraging official interactions with Taiwanese counterparts, while also participating in military training and urging Taiwan to increase its defense spending. President Tsai's administration in Taiwan has prioritized defense, allocating a record \$17 billion in 2022 to acquire cruise missiles, naval mines, and advanced surveillance systems, though this remains significantly lower than China's defense budget (Maizland, 2022). The increasing military capabilities on both sides and the US's strategic support to Taiwan heighten the potential for conflict, which could escalate into a broader war involving the US and China.

The Legitimacy Crisis (Economic)

The economic interdependence between the US, China, and Taiwan is a complex and multifaceted relationship that significantly influences regional dynamics. China, as the world's second-largest economy, has grown rapidly over the past 70 years to become a critical player in global trade, being the largest trading partner for over 120 countries. Its economic growth has been fueled by strategic long-term plans aimed at achieving self-sufficiency and regional dominance while safeguarding its territorial integrity (Economic Indicators of Chinese Military Actions Against Taiwan, 2022). In contrast, Taiwan, the 21st-largest economy globally, seeks to diversify its economic ties to reduce reliance on China. The US and Taiwan have deepened their trade and technological exchanges, with Taiwan being the US's 8th largest trading partner, reflecting a significant \$114.1 billion in goods trade in 2021 (Sutter, 2022). The Trump administration emphasized Taiwan in its strategy to counter China, a stance continued by the Biden administration, which has also supported Taiwan's push for a Free Trade Agreement (FTA). Taiwan's increasing economic engagement with the US contrasts with its growing economic dependency on China, illustrating the delicate balance Taiwan must navigate.

Economic ties serve as powerful tools for influencing the behavior of both China and Taiwan. For instance, the US leverages its economic relationships to support Taiwan's autonomy and counterbalance China's influence. The desire for an FTA with Taiwan shows how economic relations serve to strengthen political relations and give Taiwan economic leverage against Chinese demands. On the other hand, the Goals of China's economic integration are to entangle Taiwan into the Chinese economy, and thus control the political decisions in Taiwan. It is, however, important to consider the effect of any disruption, including war, between these entities since the current economic relations are quite intertwined. , a military conflict would not only affect the regional supply chains but also negatively impact the global markets since both China and Taiwan are vital trade players in the global market. Since the US has had significant stakes in both these economies, the impact to the US economy would have been severe. The possibility of such an economic fallout should serve as a reminder to use economic entanglement as a stabilizing force and method to avoid conflict in the area.

Analysis and Discussion

The superiority of the US's balancing strategy in the political, military, and economic domains in relation to the China-Taiwan issue is still debatable. However, the US still continues to adopt strategic abnegation towards the conflict and officially acknowledges the People's Republic of China (PRC) as the lawful government of China. However, it also maintains unofficial relations with Taiwan and is committed to supplying Taiwan with arms for protection as stated in the Taiwan Relations Act of 1969. This is a rather delicate balancing act that is supposed to help not to step up tensions and maintain stability in the given region. However, due to the absence of official recognition of this policy, which is to not take a side in the event of a conflict, between China and Taiwan, the relations between the two countries could be further strained. Moreover, the US has an economic entanglement with both China and Taiwan, and therefore taking any aggressive measures will not go unanswered economically.

Managing this relationship is a challenge that the US faces as it has both risks and opportunities. On one hand, there is need to ensure stability in the Taiwan Strait so as to encourage the growth of peace, and economic growth. However, any action that ends up offending the equilibrating powers that exist between China and Taiwan may lead to a conflict that is disastrous. Furthermore, America may undermine its economic relations with china since china is one of the countries which the US trade with most frequently if the US openly supports Taiwan's independence. On the other hand, the US has a chance to use economic relations with both China and Taiwan as the means to press on them and make them seek a peaceful solution to the conflict. In this regard, by encouraging the economic integration and dialogue between the US and other countries, tensions can be reduced and stability brought in the region.

Other measures that the US could take include coming out more explicitly on Taiwan's side or even increasing its diplomatic relations with China to help find a non-violent solution to the Taiwan issue. However, each type has its own possible outcomes that have to be taken into consideration. The backing of Taiwan's independence might agitate China and lead to political tension which in turn may result to a war. Though enhancing a closer tie with PRC may lead to valuable outputs it may also endanger the equilibrium in the region since Taiwan and its allies may begin to doubt the integrity of the US. In the end, the US needs to assess the efficacy of each strategy, while bearing in mind the regional repercussions of its actions in the Asia-Pacific region.

Conclusion

The key findings of this paper present historical and current conflicts between the PRC and the ROC regarding political power since 1949. This competition has therefore increased tensions especially with China taking more assertive military power stance and a threat to Taiwan's independence. These tensions are not helped by the support the United States provides Taiwan's military, a move that has been met with hostility by China and which raises the prospect of further confrontations. However, the overall implications of this crisis to the regional stability are deeper evident by the economic impacts that countries that depend on trade with both China and Taiwan might suffer. ASEAN member states' and other regional players' engagement in managing

China's emergence as a superpower is the evidence of the global nature of this problem and the recurrence of the Cold War model. In the future, an effort needs to be made to avoid the military approach to solve the China-Taiwan problem and emphasize the political dialogue. The demilitarization processes are essential to sustain the peace and security in the region, as the increase of the military forces and the arms race only brings more conflict into the region. Even as the US is fully involved in the region, it's important that the country does not interfere in a direct manner, therein recognizing China's sovereignty and at the same time urging the country to embrace diplomacy. This could promote the diplomatic relations between China and Taiwan, paving way for peaceful reunification or following the "one country, two systems." Finally, it is essential to emphasize that diplomatic efforts are critical and must remain the principal priority to prevent negative consequences for all parties in the event of a military confrontation in the Taiwan Strait and to ensure stability in the Asia-Pacific region.

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