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How Stable Is the Taiwan Strait?

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This policy brief is based on “Is the Taiwan Strait Still a Flash Point? Rethinking the Prospects for Armed Conflict between China and Taiwan,” which appears in the winter 2015/16 issue of *International Security*.

Bottom Lines:

A changing China-Taiwan relationship. In recent years, three key trends characterized the China-Taiwan relationship: increasing economic integration, rapid improvements in the relative military capabilities of the People’s Republic of China (PRC), and Taiwanese citizens’ growing tendency to define themselves exclusively as Taiwanese rather than Chinese—even as they remain pragmatic regarding Taiwan’s sovereignty.

Decreased but persistent potential for conflict. These trends have a net stabilizing effect on the China-Taiwan relationship, an effect that will most likely persist following the landslide victory of the Democratic Progressive Party (DPP) in Taiwan’s 2016 presidential election. The core dispute over Taiwan’s sovereign status, however, remains intractable. In turn, the cross-strait relationship continues to be potentially volatile.

Dangers of a reduced U.S. commitment to Taiwan. Although the United States should continue to approach the Taiwan issue with considerable caution given its sensitivity in Beijing, a strong U.S.-Taiwan relationship remains important. A reduced U.S. commitment to Taiwan’s security would accelerate China’s growing relative power in the Taiwan Strait, potentially increasing the risk of armed conflict.



How Stable Is the Taiwan Strait?

After long being viewed as a flash point for conflict, relations across the Taiwan Strait have stabilized tremendously since Ma Ying-jeou, who explicitly rejected Taiwanese independence, was elected president of Taiwan in 2008. This unprecedented period of China-Taiwan détente has been characterized by frequent dialogue between officials from the two sides, numerous cooperative agreements, and the establishment of direct travel and commercial linkages across the strait. The DPP's landslide victory in Taiwan's January 2016 presidential election, however, was a stinging rebuke to Ma's Nationalist Party (the Kuomintang or KMT). The DPP historically has been committed to Taiwan independence, and Taiwan's new president-elect, Tsai Ing-wen, rejects some of the key foundations of Ma's cross-strait policy, including the idea that China and Taiwan are part of the same country. Although Tsai has signaled that she will approach cross-strait relations cautiously, it is unlikely that Beijing will be satisfied with her approach. Thus, it is unlikely that the recent détente will last.

The possibility that China-Taiwan relations could revert to their pre-2008 state is disquieting, given that many analysts at the time viewed armed conflict in the Taiwan Strait as a serious risk. Nevertheless, although China-Taiwan relations will almost certainly deteriorate to some degree under a Tsai presidency, military conflict remains unlikely. To understand why, it is important to first consider some of the major trends that have characterized the cross-strait relationship in recent years.

A Changing China-Taiwan Relationship

First, economic integration across the strait has become deeper and more institutionalized. China-Taiwan trade and investment flows have grown rapidly since the 1980s; by the mid-2000s, the PRC had replaced the United States as Taiwan's primary trading partner. China-Taiwan trade continued to grow after 2008 as the two sides took steps, such as lifting restrictions on direct trade across the strait, to normalize bilateral economic ties.

Second, the military balance of power in the Taiwan Strait has been shifting rapidly in China's favor. Preparation for a conflict in the strait has been the primary driver of PRC military modernization efforts dating to the 1990s, and China's booming economy has facilitated impressive advances in this regard. The PRC most likely does not (yet) possess the capacity to invade and occupy Taiwan, particularly if the United States were to intervene in a cross-strait conflict. China certainly has an increasing ability, however, to impose tremendous costs on Taiwan in the event of a cross-strait war.

Third, Taiwanese public opinion on sovereignty issues continues to evolve. To an increasing extent, most Taiwan citizens see themselves as Taiwanese rather than Chinese, and they view political unification with the PRC as a nonstarter. Indeed, most Taiwanese today reject unification even under hypothetically favorable conditions, such as the emergence of democracy in China. The recent détente in cross-strait relations has not altered these trends; to the contrary, the percentage of Taiwan's citizens self-identifying as Taiwanese grew especially rapidly during the Ma presidency. Still, most Taiwanese remain pragmatic. A majority of Taiwanese, for instance, does not support formal independence if it were to trigger armed conflict with China.

Decreased but Persistent Risk of Conflict

When considered together, the trends outlined above are helping to stabilize China-Taiwan relations. Even though China's improving relative military capabilities suggest that coercion is becoming more feasible for Beijing, this effect is tempered by the strong stake in stability generated by

extensive cross-strait economic integration—and, indeed, China’s broader integration into global markets. For Taiwan, the potential costs of a military confrontation in the strait have become catastrophic, which in turn gives any Taiwanese leader a strong incentive to pursue cautious cross-strait policies and avoid actions that risk crossing PRC redlines.

To be sure, continued consolidation of a separate Taiwan identity, combined with the DPP’s landslide victory in Taiwan’s recent elections, will increase pessimism in Beijing about social and political trends in Taiwan and will exacerbate fears that the island may be slipping from China’s grasp. Nevertheless, other factors encourage continued PRC patience in the Taiwan Strait. The shifting military balance is the most obvious example in this regard, as it gives PRC leaders reason to believe that China’s bargaining position will continue to improve. China also has some reason to be cautiously optimistic about trends in Taiwan’s politics. Most notably, the pragmatism of the Taiwanese public rewards politicians who adopt moderate positions on cross-strait issues. Moreover, the PRC has learned that the political environment changes quickly in Taiwan. Beijing became deeply pessimistic when Chen Shui-bian of the DPP was reelected as Taiwan’s president in 2004, but by 2008 the KMT had swept national elections in a landslide. Beijing, in short, has every reason to be patient with a Tsai government.

Still, the underlying sovereignty dispute between China and Taiwan remains fundamentally unresolved. Beijing will continue to view Taiwan as a core national interest, while most Taiwanese will continue to see unification as a nonstarter. For these reasons alone, the Taiwan Strait will remain a potential trouble spot. Moreover, the shifting balance of military power could become a source of renewed instability in the strait if it comes to dominate other factors—such as economic integration—that give China a stake in a stable status quo. In such an environment, China could become tempted to use its growing military strength to pursue a more coercive approach to Taiwan.

There are good reasons to think that Taiwan would resist such coercion, even if it meant risking military conflict with the PRC. Most importantly, public opinion trends clearly indicate no appetite in Taiwan for political

integration with the PRC. Simply put, most Taiwanese today view their country as sovereign and independent even if it lacks international legal recognition, and any leader contemplating political accommodation with the PRC would likely face fierce domestic opposition. During his 2011 re-election campaign, for instance, President Ma encountered strong criticism after endorsing a cross-strait peace agreement; Ma's decision to broach the subject was widely seen as a major political blunder. Moreover, possible PRC reassurances to Taiwan about the nature of any cross-strait political settlement lack credibility—particularly in light of Beijing's obvious willingness to intervene in Hong Kong politics despite the presence of a One Country, Two Systems framework (a model that the PRC also proposes to apply to Taiwan). Analysts, in short, should not assume that Taiwan will peacefully accommodate a militarily more powerful PRC even if standing firm risks armed conflict.

Thus, although major trends in China-Taiwan relations are stabilizing, the Taiwan Strait could again become a flash point if the shifting balance of military power comes to overwhelm the influence of other factors that give Beijing a stake in stability.

Maintaining the U.S. Commitment to Taiwan

The above analysis suggests that the United States will continue to face difficult trade-offs in its Taiwan Strait policy. On the one hand, the United States should not—as some prominent analysts have suggested—scale back its commitment to Taiwan. Such a change in U.S. policy would accelerate the shifting balance of power in the strait, thereby magnifying the risk of armed conflict between the PRC and Taiwan. On the other hand, Washington must continue to tread cautiously on the Taiwan issue. The fact remains that many in China care deeply about Taiwan. PRC leaders will thus continue to feel compelled to react strongly to U.S. policies and actions that appear to be ratcheting up U.S.-Taiwan security cooperation—especially when Taiwan is governed by the DPP.

Additional Resources

Richard C. Bush, *Uncharted Strait: The Future of China-Taiwan Relations* (Washington, D.C.: Brookings Institution Press, 2013).

Ming-chin Monique Chu and Scott L. Kastner, eds., *Globalization and Security Relations across the Taiwan Strait: In the Shadow of China* (London: Routledge, 2015).

Charles L. Glaser, “A U.S.-China Grand Bargain? The Hard Choice between Military Competition and Accommodation,” *International Security*, Vol. 39, No. 4 (Spring 2015), pp. 49–90.

Weixing Hu, ed., *New Dynamics in Cross-Taiwan Strait Relations: How Far Can the Rapprochement Go?* (Hoboken, N.J.: Taylor and Francis, 2013).

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