

## **Taiwan under US–China Competition**

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Many people in Taiwan share the belief of this author that Taiwan can only prosper when the cross-strait relations remain stable. But what sort of relationship between the United States and China that overarches the cross-strait relations can be considered “good” for Taiwan?

During the Cold War era, US–China relations were "utterly awful," so Taiwan’s security and economic situation was of course awful. In 1972, the U.S. and China signed the Shanghai Communiqué, and in 1979 established diplomatic relations. Their relationship suddenly became "really great" and Taiwan was abandoned, which thus was bad. During the subsequent four decades, their relations that were “neither good nor bad; at times good, at times bad” opened up the way for Taiwan's economic miracle, democratization, “pragmatic diplomacy,” and cross-strait reconciliation. Now, after President Donald Trump took office, the US-China relations quickly soured. Whether this is a blessing or curse for Taiwan is worth examining.

Three things must be understood at the outset. First, the current nature of US–China relations is one of competition; it has not yet reached the level of confrontation or a New Cold War. This is because competition is usually based on hopes of obtaining maximum benefit at minimal cost, while confrontation more often than not involves a pursuit of victory mostly without regard for cost. At present, the Trump administration has shown through its actions that it attaches great importance to “cost.” For example, the United States chose trade and technology as the battlefield because these are areas where it still enjoys the advantage. In others where its upper hand is called into question, such as the Taiwan Strait and the South China Sea, the US often

displays more bark than bite. Washington's alienation of one ally after another, such as Japan, South Korea, Great Britain, Germany, France, Canada and Mexico, in no way resembles actions stemming from a confrontation or New Cold War mentality.

Second, this competition will certainly be long-term, rather than short-term in nature. Vigilance against Beijing has arisen among US policy elite across party lines. This means that "competition" will characterize Washington's China policy in the future regardless of which party is in power.

Third, the US new drive stems mostly from fears that mainland China may usurp the US's global leadership position, and only secondly from worries about the challenge that the Chinese Communist Party's model of governance poses to democratic values. In the 1980s, when Japan's GDP reached two-thirds the level of that in the United States, the US immediately took steps to put a stop to it. The US did not pull its punches because Japan was also a democratic country. This time, Beijing has shown itself to be more resilient than either Japan of the 1980s or the Soviet Union of the 1990s. Therefore, the United States appears to be more anxious than ever, and is actively seeking a strategy of competition to retain its position of predominance.

Between the U.S. and China, who will prevail in the future? There is no quick or easy answer to this enormous question. The theories of international relations suggest three factors that may determine the rise and fall of great powers. The first is whether the great powers accumulate or deplete their "resources." Second, whether they innovate or transfer their "technology." And third, whether their "governance" at home is good or bad. All three are implicit in the behavior of both the U.S. and China to date.

For the U.S. under President Trump, the best defense has been offense. His administration has sought to conserve national “resources” all around, while suppressing China on the front of “technology.” However, even armed with a new consensus, US policy elite seem to be gripped by deeper anxiety and depression. That is perhaps because many feel their intent to compete more seriously with China is largely obliterated by the country’s worsening ‘governance’ as they have to spend most of their energies fighting tooth and nail among themselves.

For mainland China, the best offense has been defense. Beijing has been parrying each US thrust, and wielding its political solidity to maintain a firm grip on those three factors in order to meet the long-term competition with the US. Nevertheless, because the U.S. will remain the top dog for quite some time, Beijing also harbors great concerns. Whether the U.S. or China will come out ahead in the future will surely be decided by how they fare regarding these three major factors, and which first makes a game-changing misstep.

The Taiwan issue seems most likely to elicit such a wrong move from either or both great powers. Under normal circumstances, the U.S. and China both realize that Taiwan is the most core, most complicated and most difficult issue between them. Therefore, both heavies have been extremely cautious in dealing with this big problem in the past. This year, however, some abnormalities have presented themselves.

First, their aforementioned anxiety and mutual suspicion have greatly complicated the management of the Taiwan issue. Second, as the bone of contention between the two great powers, Taiwan itself has repeatedly provoked friction between the two, touching the raw nerve between them, as well as internally within China. Third, 2019 is the year that Tsai Ing-wen will seek a second term as President, after which Donald Trump will also kick start his campaign for re-election, followed by Xi Jinping’s

positioning for his third term. None of the three leaders can afford defeat and their risk-taking impulses are likely to be stronger than ever. No matter who makes the first wrong move, Taiwan will suffer the grievous, if not mortal consequences.

What is most dangerous is that some in Taiwan have consistently mistaken the competition between the U.S. and China as confrontation. They believe that the United States is willing to protect Taiwan at any cost, so they tirelessly delight in manipulating the cross-strait relations with “low-intensity provocations.” They have forgotten that while there is still disparity in might between the US and China at the global level, in the Taiwan Strait it is more like an even match. More importantly, Taiwan’s overall value to the U.S. is far below that to China; and the US willpower regarding Taiwan is much weaker than China’s. Hence if the United States ever finds itself to be preoccupied otherwise or elsewhere, it could quite likely abandon Taiwan. Conversely, if China ever finds itself overwhelmed by internal and/or external pressures, it just might use Taiwan as a punch bag to vent its ire.

In 1999, President Lee and his Senior Advisor Tsai Ing-wen misjudged the situation, supposing their "Special State-to-State Relationship" announcement would have gone unscathed by Washington and Beijing. They were proven wrong. If the Tsai administration makes another blunder this year, it will be hard to be optimistic about what lies ahead for Taiwan.

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