



---

# TAIWAN STRAIT DISPUTE

---

**Bilbil Kastrati**

University of Ljubljana

Email: bilbil.kastrati@gmail.com

DOI: [10.1515/seeur-2015-0029](https://doi.org/10.1515/seeur-2015-0029)

## Abstract

The end of the Cold War resulted in a diffusion of the level of threat worldwide and concluded the system of bipolarity in the world. Beside the European continent, where the rivalries were at the highest level, the consequences of the end of the Cold War were especially visible in North-East Asia. A decrease of military activities of Russia and China, and the retreat of the USA from the region, give way for improvement of political and economical relations between the countries of the region. The end of hostilities produced by the Cold War no doubt have relaxed relations between countries in the region and opened ways for a new more peaceful co-existence. However, this does not mean that the region is not vulnerable to some of the hot spots such as North Korea, Spratly Parcels and especially Taiwan Strait. The latter is considered to be the most dangerous potential Asian zone of crisis in the twenty-first century.

The East Asian countries such as China, Japan and other Association of Southeast Asian Nations (ASEAN) countries are the world's most growing economies and, at the same time, leaders in military acquisition; therefore, the potential for conflict and crises is current and real. This article examines one of these hot spots, namely the Taiwan Strait dispute, and assesses the possibility of this issue leading to a war between China, the USA and Japan. In order to have a clear view of the dispute the author will reveal some data in the introduction and then will explore relations, conflicts and interests between China, the USA and Japan *vis-à-vis* Taiwan and assess the risk that these countries might be drawn in potential war over the Taiwan Strait.

**Keywords:** *Taiwan Strait, China, USA, Japan.*

## 1. Taiwan Strait Dispute

The Portuguese, who seem to be the first Westerners to have visited the island in the XVI century, named Taiwan the beautiful island (Ihla Formosa). Before this little is known about Taiwan's history; however, it is presumed that the first Chinese permanent settlers moved there in the XVI century, after the collapse of the Ming dynasty in China (1644) when their forces retreated to Taiwan. The Ming dynasty was later defeated by the Manchu (Ching) dynasty in 1683 who ruled the island until 1895 when China was defeated by Japan in the Sino-Japanese war (Hickey, 1997).

According to the Treaty of Shimonoseki (1895) Taiwan was ceded to the Empire of Japan and for the next fifty years Taiwan was ruled by Japan. In the beginning the Japanese were harsh and cruel to the native Taiwanese, but later on they had been accustomed to the Japanese rule. The Japanese administration brought positive improvements to the island; the economic infrastructure built roads, harbours and railroads, and also the agriculture was developed. Furthermore, the Japanese gave lots of attention to the health and education of the natives, which resulted in the reduction of mortality and the education of the population. Under Japanese rule Taiwan was far more developed than any part of China or other parts of Asia.

During World War II in 1943 the USA, together with China and the United Kingdom, reached an agreement in Cairo (Egypt) on the intention to return Taiwan to China after the war (Cairo Declaration). Russia supported this decision later on in 1945. After the end of the war authority over Taiwan was ceded by Japan to the Republic of China. In the beginning the natives welcomed the Republic of China authorities, but this did not last long. Only two years after this, in 1947, in a protest of native Taiwanese against the corrupt authorities, the government responded with a massacre of thousands of Taiwanese including most of the political elite. This incident founded hostilities between the mainlanders and the native Taiwanese for decades to come.

In 1949, the remaining forces of Nationalist Party of China Kuomintang (KMT) --defeated by the Communist forces -- retreated to Taiwan and established the government of the Republic of China, in Taiwan. The same year saw the Communist Party of China (CPC) create the Peoples Republic of China (PRC) and establish its government in Beijing. From this period until today the PRC is exploring modalities of peaceful reunification of Taiwan with China, but still did not rule out forceful unification if deemed necessary.

## 2. Discussion

### *China vis-à-vis Taiwan*

The dispute between PRC and Taiwan has its origins in the Chinese civil war between China's Communist Party and China's Nationalist Party - Kuomintang in the period between 1927 until 1949. By the end of 1949 the defeat of Kuomintang was obvious so they retreated to Taiwan and established the Republic of China government in exile. On the other hand, the CCP established the People's Republic of China in October 1949, and 'the victorious CCP asserted the right to rule all of China including the province of Taiwan to which the KMT had fled' (Alagappa, 2001, p. 30). The achievement of this goal from PRC was interrupted by the Korean War in 1950 and by the change in American foreign policy. The USA deployed the Seventh Fleet to the Taiwan Strait in June 1950, in support of South Korea, but also as a measure to prevent China's military invasion of Taiwan.

Nevertheless, the PRC continued insisting in what they believed to be the liberation of occupied Taiwan. The government in Beijing initially wanted to liberate Taiwan by force, but when military options became unrealistic Beijing subsequently changed its policy and sought a solution through peaceful means. The Kuomintang government, with American support as allies in the Cold War context, consolidated its position within Taiwan and also asserted that KMT government represents all of China including its mainland. Both governments opposed and considered each other illegitimate and refused cooperation until the 1980's. However, both governments in Beijing and Taipei were initially committed to the concept of a unified China which would include Taiwan within a single authority. But their dispute was primarily over who would govern the country, the PRC or the KMT; secondly, there was a dispute over political ideologies (Alagappa, 2001).

Additionally, a dispute between PRC and KMT also lies over the legal authority of Taiwan. After the Second World War according to the Cairo Declaration, territories occupied by Japan would be returned to China. In the case of Taiwan, authority over the island was handed over to KMT *de facto* and *de jure* by Japanese authorities when surrendered. The PRC government admits this, since the latter was not established until 1949 (Zhao, 1999). Likewise, prior to the establishment of the PRC in 1949, the Chinese Communist Party leaders referred to Taiwan as being separate from China. Even Mao Tse-tung indicated that 'the territory did not belong to China' (Hickey, 1997: 138). Apparently, afterwards the PRC's policy towards Taiwan changed and the mainland became more assertive of its rights over Taiwan.

As agreed in Cairo in 1943, Taiwan was returned to China after the end of World War II, thus ending fifty years of Japanese colonization. Local Taiwanese initially anticipated the taking over of Taiwan by China with enthusiasm; however, this sentiment took a drastic downward spiral almost immediately upon the arrival of the defeated and retreating Kuomintang army. On 28 February 1947, the 'KMT army brutally put down a local uprising an action that came to be etched deeply in Taiwanese collective memory as an instance of the slaughtering of locals by mainlanders' (Alagappa, 2001, p. 135). This incident has come to be known as the 28 February incident or the '228' event, which disrupted the normal political establishment of the KMT regime and the Republic of China authority in Taiwan. Afterwards, KMT applied the martial law and took control over the political and social life in Taiwan.

### *1995-96 Missile Crises*

In beginning of the 1990's Cross Strait relations between China and Taiwan began to relax politically and there was normalization in economic relations, namely trade, transport as well as postal links being established. However, this positive atmosphere did not last long. During 1995-96 the PRC launched a missile exercise in the Taiwan Strait which was one of the most frightening military crises of the post Cold-War era and set the Taiwan authorities on high alert. In response to this, in light of the Taiwan Relations Act of 1979, the USA sent two aircraft-carrier battle groups to demonstrate its determination to prevent the Chinese military taking over Taiwan. Fortunately the parties involved restrained themselves and the worst scenario of war did not happen. Nevertheless, this showed China's commitment that if needed they will use force to protect the sovereignty and territorial integrity of China, which also includes Taiwan (Zhao, 1999).

Even today, as unthinkable as it might seem, the Taiwan Strait remains one of the most dangerous hot spots of the 21<sup>st</sup> century. Eventual miscalculation by any of the parties could lead to a war that would likely not only cause damage to Taiwan, but involve confrontations between China and the USA as well as other Asian neighbours. According to Lee (1999, p. 9) 'the crisis made it crystal clear, if there was ever any doubt, that relations between China and Taiwan are not only about trade, investment and tourism, but also about war and peace'.

Since the early 1950's the PRC made attempts to isolate Taiwan in the international arena and qualify the Taiwan issue as internal. Its first success was in 1971, when Beijing was given Taipei's seat in the United Nations and

as a result Taipei lost diplomatic superpower and influence in the world affairs (Zhao, 1999). Moreover, Taiwan was excluded from the East-Asian regional forums: the ASEAN Regional Forum and the Council for Security Cooperation in the Asia-Pacific, due to the pressure from China (Tan, 2001). Nevertheless, Taiwan continued to assert that they have created their own identity and China should accept this. In 1999, Taiwan's President Lee Teng-hui shocked Beijing authorities by stating that China-Taiwan relations should be conducted on a special state to state basis and should abandon the - one-China - policy. This statement from Taipei went as close to declaring independence as possible, without actually doing so (Lee, 1999). Beijing authorities condemned Lee's statement and said that only - one-China - policy is a platform for negotiations and peaceful solution of the Cross Strait dispute.

In the meantime, both parties China and Taiwan continued to improve their military build up. The PRC continued purchasing the newest technologies from Russia in order to have supremacy over the Taiwan military capabilities, but also to confront potential USA attacks. Meanwhile, Taiwan continued its acquisition of USA military high-tech. For example, in 2004 the Taiwanese parliament allocated \$1 Trillion for military hardware. Nevertheless, the latest reports show that China has improved the quality and the quantity of its military forces naval and air forces, hence it is considered that as of 2008 China has surpassed Taiwan in military capabilities which additionally raise the sense of crisis and potential for conflict in the Taiwan Strait (The National Institute for Defence Studies Japan, 'East Asian Strategic Review', 2005).

### *Taiwan's Democratization*

Even though Taiwan was several times a target of potential regional or international conflicts, the internal politics and the regime have undergone fundamental changes. According to Tsang and Tien (2001, p. xiii) 'the real miracle in Taiwan is not its spectacular economic achievement but its political transformation in the post-war era. Within a decade Taiwan has recast its political system and changed from what looked remarkably like a Leninist party state into a working democracy, in the Western sense of the word'. In the 2000 elections, Taiwan experienced an electoral earthquake, the victory of Chen Shui-bian from the Democratic Progress Party—the defeat of the KMT was an historic event by any measures and was clearly a nightmare for Beijing. Chen Shui-bian's Democratic Progressive Party has always advocated the independence of Taiwan and was not committed to Taiwan's unification with mainland China. Chen's election was seen by Beijing as real challenge for their goal of unification (Alagappa, 2001).

### *USA vis-à-vis Taiwan*

Washington's involvement in the Taiwan Strait conflict started in 1950 in the wake of the Korean War when the USA deployed two aircraft carriers in the Taiwan Strait. This move had two dimensions; one to support South Korea and two, to prevent a potential invasion of Taiwan by Communist forces of China. Later on, Taiwan occupied an important role in USA foreign policy, strategically and economically. Taiwan was part of the anti-communist bloc; therefore the USA supported Taipei financially and politically and also was the major security provider of the island. This helped Taiwan to develop fast economically, which led to social changes and finally to democratization of the state institutions in the beginning of the 1990's.

The USA was and continues to be the biggest supporter of Taiwan in the Pacific. However, the USA policy towards Taiwan started to change in beginning of the 1970's when China had a breakup with the Soviet Union. At this stage the USA policy makers felt that they should relax their relations and see the possibilities of cooperation with Beijing, with the only aim to isolate Russia as much as possible. Consequently, with the Joint Communiqué on the Establishment of Diplomatic Relations of 1 January 1979, the USA formally switched recognition from Taipei to Beijing. In the communiqué, the USA acknowledges 'the Chinese position that there is but one China and Taiwan is part of it' (Lee, 1999, p. 19).

With this move the USA further contributed to the isolation of Taipei, since after this most of the countries in the region and in the world established relations with PRC. This was a low blow for Taipei, but there was and still is a sentiment among the Congressmen on Capitol Hill that they should support Taiwan and not permit eventual forceful occupation by China. Therefore, the USA Congress enacted the Taiwan Relations Act in 1979, and under this act, 'Washington is committed to protect the security of Taiwan including its social and economic system and the human rights of the people on Taiwan. In pursuit of this commitment, Washington reserves the right to sell Taiwan arms of a defensive character in the amount that is necessary to maintain a sufficient self-defensive capability' (Alagappa, 2001, p. 40).

According to Alagappa (2001), the USA policy toward Taiwan is not motivated by a genuine concern for the autonomy of Taiwan's people, but more for the USA policy that Beijing should not be permitted to get away with a forceful absorption of a democratic state. But, if such a scenario would happen, it would be devastating for American credibility and would undermine USA alliances with other pacific countries and would also disturb the stability in the Western Pacific

Taiwan's economical and social development has encouraged them to request that the Taiwanese new identity and autonomy be acknowledged in the Taiwan-PRC relations. The government in Beijing is insisting that Taiwan is integral part of China and seeks that the USA pacify Taipei and not let them take any step that would be regrettable. Washington claims that it opposes the use of military force to settle these disputes, in which it would inevitably become involved, and urges parties to find a peaceful solution. It seems that the continuation of the status quo is in Washington's interest, but for Beijing an indefinite delay in political talks for unification is testing its patience. On the other hand, military invasion would be at a high cost for China financially and diplomatically in the region and internationally. Therefore, it seems unlikely that PRC will use a military option currently, which leads us to the conclusion that even China is concurring with the status quo (Alagappa, 2001).

### *Japan vis-à-vis Taiwan*

Japan was always interested in Taiwan; however Japan became legal possessor of Taiwan according to the Treaty of Shimonoseki in 1895 after China's defeat in Sino-Japanese war 1894-95. Japanese's rule during the occupation of Taiwan was harsh towards the local people. Nonetheless, the Taiwanese adapted to the Japanese rule from whom they benefited later. The Japanese brought to Taiwan order, built the infrastructure (roads and harbours), and also developed the agriculture. Moreover, the Japanese opened schools and health institutions which helped in reducing mortality and promoting the education of local Taiwanese. Further, Japanese transferred skills in advanced technologies to locals, which is considered one of the reasons for Taiwan's development. Nevertheless, after the Second World War, according to the agreement of the winning parties of the war and the Cairo Declaration (1943), Taiwan was ceded to KMT government by the Japanese authorities.

Today, for a number of reasons, including its colonial history and the USA-Japan security treaty, democratic development in Taiwan has political and security consequences for Japan. Since Japan is assuming increased responsibilities in matters of peace and security in East Asia, the Taiwan dispute is closely observed. Stability in the Taiwan Strait is essential for Japan's economy, as the sea-lane through which Japan transports almost 90 percent of its oil supply from Middle East runs through waters of the Taiwan Strait (Alagappa, 2001).

Like the USA, the Japanese government had to adapt to the new circumstances after the Sino-Soviet breakup. In 1972 Japan normalized

diplomatic relations with PRC and as a result of this relations with Taiwan deteriorated. The Japanese policy is to maintain good relations with China, while maintaining economic and cultural relations with Taiwan. At the same time, Japan does not want to be involved in the disputes between Taiwan and the PRC over its formal status. Tokyo is interested in avoiding all situations which might lead to a war that may potentially involve Japan. Its involvement in a military conflict in the Taiwan Strait seems to be its worst nightmare. Therefore, Japan wants to isolate itself from the Taiwan issue since it has accepted Beijing's claim that Taiwan is an internal affair of China. However, the 1995-96 missile crisis and the growing tensions between Taipei and Beijing made Tokyo recognize the serious implications that Taiwan represents for Japan's security. Therefore, Taiwan is no longer just an economic matter for Japan, but a security one as well (Alagappa, 2001).

In 1997 the USA-Japan Security Treaty of 1960 was revised guaranteeing the United States the use of Japanese facilities as a contribution for the preservation of international peace and security in the Western Pacific. According to new Guidelines for USA-Japan Defence cooperation Taiwan was included in the area defined as Far East. This came after the missile crisis in 1995-96 in the Taiwan Strait which was a significant security threat for the USA's and Japan's interest. A military conflict in the Taiwan Strait could turn into a global war between the United States and China that would inevitably involve Japan (Alagappa, 2001).

### **3. Potential risks that the Taiwan Strait dispute might lead to a war involving China, the USA and Japan**

The Taiwan Strait dispute today is not merely a question of East-Asian regional security, but one of the most challenging security problems of the 21<sup>st</sup> century. As argued above, the strategic and commercial importance of the Taiwan Strait and multiple interests represent a real potential to fuel conflicts between China, the USA and Japan.

The PRC considers that Taiwan is a matter not only of a national dignity but also of a national survival. The Taiwan issue is related with the regime's legitimacy and implies that Taiwan's independence will jeopardise its existence. Further, it is a question of political legitimacy, after wide support for reunification; hence no Chinese political leader can afford to remain passive if Taiwan declares independence. Also, it is a question of national unity, for if Beijing tolerates Taiwan's independence, then it will be difficult

to keep the country together, since there are separatist movements in Tibet, Xinjiang and Inner Mongolia which also seek separation. However, this does not mean that Beijing prefers using force to solve the Taiwan dispute; on the contrary, it regards force as the very last alternative, but does not rule out this option (Alagappa, 2001).

If Taiwan declares independence, it will without doubt lead to a war with PRC, and the United States will probably be dragged into it. According to the Taiwan Relations Act, Washington is committed to protecting the security of Taiwan including its social and economic system and the human rights of the people in Taiwan. If America would not intervene this would mean that it agrees with the suppression of the will of the people in which foundation the United States itself is established. Furthermore, its commercial and strategic interests would be jeopardized, and its alliances with the countries in the region such as Japan, South Korea and Australia would be undermined.

Japan cultivates special relations with Taiwan, partly because of its sentiment as an ex-colony, but also because of mutual economic interests. The PRC is considered an important regional partner; therefore, Japan avoids being involved in Taiwan dispute. On the other hand, the United States is their biggest ally in the Western-Pacific, and the revised Security Treaty (1997) obliges them to support the USA in an eventual war in the Pacific. If a Taiwan Strait war erupts the Japanese government seems to be in the most difficult position. If they get involved, they would risk war with China, if not they will risk their alliance with the USA. However the strategic importance of the Cross Strait sea lanes through which Japan's vital energy imports transit makes Japanese involvement in a potential war unavoidable.

Even though the picture looks grim, it seems that all the parties silently agree on the existing status quo. The current status of Taiwan is not a security threat to mainland China; also the big economic and naval powers of the world United States, Russia and Japan are not in favour of changing the present status of the Taiwan Strait, which is one of an open and free international shipping canal that allows unrestricted use (Zhao, 1999). All these combinations of interests minimize the potential risk for war in the Taiwan Strait, but do not exclude it.

#### **4. Conclusion**

Many security experts regard the Taiwan Strait as the most dangerous dispute and the biggest challenge of the 21<sup>st</sup> century, hence finding the right solution is difficult. The PRC, since its founding in 1949, has claimed

legitimacy over Taiwan. Taiwan is considered an internal affair of China and for the present situation the USA has often been accused that its intervention in 1950 created the issue, and that it continues to sustain the conflict, thus preventing the unification of China. However, Lee (1999) argues that, 'Taiwan's progress towards a new identity and greater self-determination seems unstoppable' (p.11).

One important moment is that Taiwan was not ruled from mainland China since 1895, which makes the case unique. Also, most of the current politicians are born in Taiwan and do not have any connection with the Chinese civil war and the idea of a unified China. Therefore, they ask that the new Taiwanese identity and autonomy is recognized. On the other hand, China continues to assert its legitimate authority over Taiwan; and says that if Taiwan declares independence, they will have no alternative but to use military force to defend China's territorial integrity and national sovereignty.

The United States commitment to deter military hostilities in the Western Pacific in general and in the Taiwan Strait in particular was key in the region's stability for decades. However, eventual conflict in the Taiwan Strait would probably drag the United States into war with PRC, partially as committed by the Taiwan Relations Treaty of 1979, but mainly to protect its own commercial and regional strategic interests. Even though war in the Taiwan Strait would be a nightmare for Japan they would, nevertheless, probably be involved too, in support of its alliance towards the USA as well as because of their own economic and strategic interests. Generally, this is the scenario that everyone wants to avoid.

However, without careful management of the dispute there is a serious risk of conflict threatening not only East-Asian, but also the international, security. A war in the Taiwan Strait would likely affect the continued economic growth and prosperity in the region from which all states, the USA, PRC, Taiwan and Japan have benefited. This would be devastating especially for China, which is trying to modernize its economy (Alagappa, 2001).

Having said that and considering all of the above, a Cross Strait conflict in the short term seems unlikely; however, in the medium to long term the prospects are less clear. Continued armament of China and Taiwan, and the big commercial interests of the United States and Japan in the region, make the solution of the dispute highly unpredictable.

## References

1. Alagappa, M. Ed (2001). *Taiwan's Presidential Politics: Democratization Cross-Strait Relations in the Twenty-first Century*. USA: M. E. Sharpe, Inc.
2. Hickey, V. V. D (1997). *Taiwan's Security: in the Changing International System*. USA: Lynne Reinner Publishers, Inc.
3. Lee, B (1999). *The Security Implications of the New Taiwan*. US: Oxford University Press Inc.
4. Tsang, S & Tien, M-H. Eds (1999). *Democratization in Taiwan: Implications in China*. UK: Macmillan Press Ltd.
5. Tan, C. A *et al.* Eds (2001). *Taiwan's National Security. Dilemmas and Opportunities*. UK: Ashgate Publishing Limited.
6. Treaty of Shimoneski  
<http://www.taiwandocuments.org/shimonoseki01.htm>
7. The National Institute for Defence Studies Japan (2005). *East Asian Strategic Review*.
8. *The First Sino Japanese War*  
[http://www.historyofwar.org/articles/wars\\_first\\_sino\\_japanese.html](http://www.historyofwar.org/articles/wars_first_sino_japanese.html).
9. Zhao, S. Ed (1999). *Across the Taiwan Strait: Mainland China, Taiwan and the 1995-1996 Crisis'*. New York: Routledge