



ALLIANCE POLICY COORDINATION BRIEF

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Remaining Aligned on the Challenges Facing Taiwan

Michael Swaine and Ryo Sahashi

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China Risk and China Opportunity for the U.S.-Japan Alliance

How should the risks and opportunities presented by a continually rising, increasingly self-assertive China be addressed? This is a pressing issue for the international community, particularly for the United States and Japan, whose alliance has proactively helped form and maintain the liberal, rules-based international order for the past several decades.

To enhance mutual understanding and encourage effective policymaking, the Japan Forum on International Relations (JFIR) and the Carnegie Endowment for International Peace have convened a small group of U.S. and Japanese scholars to examine the risks and opportunities accompanying China's ascendance. This group includes China specialists, alliance experts, and authorities on trade and security issues in the Asia Pacific.

Led by Mataka Kamiya and James L. Schoff, the group has conducted research and facilitated dialogue since April 2017 through private roundtables and public symposia that seek to further U.S.-Japan cooperation and coordination on China policy. The project examines different perspectives between the alliance members and discusses ways in which Washington and Tokyo can effectively respond to China's rise. An accompanying series of policy briefs explores various China-related risks and opportunities for the U.S.-Japan alliance in the areas of regional and international order, trade and technology, security, and foreign relations. To learn more about the project, [click here](#).

JFIR, together with the project's U.S. team members, wish to thank the Japanese Ministry of Foreign Affairs and the Japan Foundation Center for Global Partnership respectively for their generous support, without which this project would not have been possible.

—Mataka Kamiya and James L. Schoff, Project Leaders and Co-editors

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Issue Background

Taiwan is the most sensitive and dangerous security issue influencing the relationship between China and the U.S.-Japan alliance. The continued stability of the bilateral Sino-U.S. relationship, as well as China's productive relations with Japan and other U.S. allies, has largely depended on the maintenance of an explicit understanding on Taiwan reached when Beijing and Washington normalized diplomatic ties in 1979. At its core was a specific *quid pro quo* in which the United States, Japan, and others recognized the People's Republic of China (PRC) as the sole legitimate government of China, while acknowledging or respecting the Chinese position that Taiwan is a part of China. In return, Beijing dropped its long-standing stance of liberating Taiwan by force in favor of a primary stress on peaceful unification, regarding force as a last resort.

For this understanding to remain a basis for stability will require the United States, Japan, and other nations to continue limiting their interactions with and support for Taiwan to the unofficial, nondiplomatic arena and for these countries to remain open to peaceful reunification. As a statement of policy, Washington refuses to support any unilateral, non-agreed-upon efforts by either Beijing or Taipei to alter the status quo regarding Taiwan toward either formal independence or unification. Alongside this understanding with China, the United States, as part of the Taiwan Relations Act (TRA), is required to maintain its capacity to assist the island if coerced or attacked by China and to sustain Taiwan's self-defense capabilities. The United States is not obligated, however, to protect Taiwan from Chinese military attack. That said, under the TRA, any U.S. administration is obliged to consult with Congress on the appropriate response if it is deemed that Taiwan faces a serious security threat.

For its part, Beijing is expected to continue to seek a peaceful resolution to the Taiwan issue through negotiations and to avoid any actions that would coerce or seriously threaten Taiwan. The Chinese government passed an [anti-secession law](#) in 2005 that provides conditions under which China might employ non-peaceful means to prevent the permanent separation of Taiwan from mainland China. Article 8 of the law states:

In the event that the "Taiwan independence" secessionist forces should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity.

Nonetheless, Beijing has also repeatedly reaffirmed its commitment to peaceful unification as a priority, without relinquishing its sovereign right to employ force if necessary.

The Stakes

These understandings and commitments pose risks for the alliance relationship largely because of the high stakes involved on both sides and the clear possibility for miscalculation and overreaction. For the United States, the credibility of its commitments to a friendly (albeit not allied) power is clearly at stake. Tokyo and others would likely view the U.S. abandonment of Taiwan as a weakening of the U.S. commitment to its allies and an indication of Washington's willingness to concede the dominant power position in Asia to Beijing.

As for Tokyo, although the Japanese Diet has not passed any laws equivalent to the TRA to specify the country's commitment or interests on Taiwan, Japanese leaders have repeatedly stressed the need for the issue to be handled peacefully. In addition, the peaceful management of the Taiwan issue certainly involves Japan's security, given Tokyo's almost certain involvement in any future armed crisis or conflict over the island in support of U.S. forces based on or deployed from the Japanese islands. The United States could not defend Taiwan without the consent of the Japanese government to use U.S. bases in Japan and without logistical and medical (rear-area) support from the Japanese Self-Defense Forces.

For China, the nationalist credentials of the PRC government and hence the legitimacy of the regime in the eyes of the Chinese people are dependent on the leadership's ability to prevent the permanent separation of Taiwan from the mainland and to achieve eventual unification. And, of course, all the relevant powers have a high stake in avoiding a conflict that could undermine regional peace and prosperity.

The dangers of miscalculation and overreaction derive from several factors, including:

- **heightened Sino-U.S. distrust:** the high and arguably growing level of overall distrust between Beijing and Washington today, which increases all sides' tendency to interpret others' motives and behaviors in the worst possible light;
- **the specter of Chinese coercion:** China's growing military and economic abilities to pressure or threaten Taiwan;
- **Taiwan's unsettled domestic politics:** the increasingly unpredictable, fragmented nature of Taiwan's domestic politics, which adds uncertainty over Taipei's commitment to avoiding provocative behavior; and

- **hardening allied views of China:** the emergence of views among some U.S. and Japanese defense analysts that appear inconsistent with the long-standing One China policy approach of both governments.

Any of these factors, or a combination thereof, could cause Beijing, Washington, or Tokyo to take actions viewed by others as unacceptably provocative, or to generate crisis-inducing overreactions to real or imagined threats.

Recent Developments

In recent years, and especially since Chinese President Xi Jinping and U.S. President Donald Trump came to power, several developments have enhanced the saliency of the aforementioned negative or potentially destabilizing factors, thereby increasing the dangers and complexities that the Taiwan issue presents for the U.S.-Japan alliance and overall relations between China, Japan, and the United States. These developments include:

The first factor is the political weakening of the pro-One China Kuomintang (KMT) and the commensurate strengthening of the pro-independence Democratic Progressive Party (DPP) in Taiwan; alongside this trend, Beijing's economic leverage over Taipei is deepening, public support in Taiwan for unification is declining, and popular resentment toward mainland China on the island is arguably growing, partly as a result of increasing cross-strait contacts.

The second consideration is an appreciable hardening of Beijing's stance toward Taipei, largely as a result of the election of DPP stalwart Tsai Ing-wen to the presidency and the emergence of a more assertive Chinese leader (Xi). This hardening is reflected in several developments, including decreased cross-strait political contacts (outside of the KMT), harsh Chinese criticism of Tsai's government, Chinese efforts to compel foreign airlines to drop references to Taiwan as a country, unprecedented Chinese military displays near Taiwan, and Beijing's successful efforts to poach a few of Taipei's remaining diplomatic allies.

Third, there are growing concerns in U.S. and Japanese defense circles over the declining capacity of both countries to deter or defeat in a timely fashion any future possible Chinese military action against Taiwan. Over the past two decades, Beijing has acquired the capacity to place at high risk any U.S. or Japanese forces that might attempt to intervene in a cross-strait military conflict.

Fourth, the United States has engaged in some rash, unpredictable moves that call into question continued U.S. support for the One China policy, including remarks and actions by Trump questioning the continued suitability of the policy, and various congressional statements and actions, including the Taiwan Travel Act and the Asia Reassurance Initiative Act, that call for greatly

enhanced U.S.-Taiwan contacts that Beijing could interpret as violations of the understanding between the two countries regarding Taiwan.

Finally (and closely related to the previous two factors), there is an overall deepening hostility toward China within some U.S. and Japanese political circles, including a tendency to view Beijing as a supposedly existential threat committed to splitting the alliance, driving the United States out of Asia, and dominating the region. This mentality arguably increases the tendency of some U.S. and Japanese analysts to regard Taiwan as a strategic asset to be kept separate from China in the struggle to counter and contain Beijing's growing regional power and influence. Such a viewpoint, if supported by U.S. (and possibly some Japanese) policy moves, could lead Beijing to conclude that Washington (and Tokyo) has abandoned the One China policy.

In recent years, partly to cope with the resulting potential dangers of these developments, and to enhance the overall capabilities of the alliance, Tokyo and Washington have worked individually and in concert to improve U.S.-Japan interoperability, enhance maritime and air capabilities, and strengthen their electronic warfare systems and their command, control, communications, computer, intelligence, surveillance, and reconnaissance systems, among other actions. The two partners have also worked to create a more certain level and scope of Japanese support for U.S. forces in a potential Taiwan conflict.

Beyond this, Washington has continued to offer defense systems to Taiwan, maintain or enhance military-to-military consultations with Taipei, and at times reiterate the basic tenets of U.S. policy toward Taiwan, including both the One China policy and the obligations set forth in the TRA.

Unfortunately, as indicated above, on the political and diplomatic front, the Trump administration has sent confusing messages to both Taipei and Beijing. For instance, the administration at times has seemingly questioned the meaning and continued relevance of the One China policy and apparently endorsed ill-advised congressional actions, such as the Taiwan Travel Act. While Beijing and Taipei certainly engage in risky behavior, these U.S. moves have unnerved some Japanese observers since they are not confident about the end state Washington is trying to achieve. Moreover, recent [U.S. policy statements](#) describing a largely [zero-sum relationship](#) with China and labeling Beijing as a “revisionist” power dedicated to undermining the United States and driving it out of Asia add to the above-mentioned fear that Washington might view Taiwan as a strategic asset that Beijing should be denied.

Potential Risks

Several highly dangerous risks emerge as a result of the above factors, such as the possibility that China would discard its long-standing peaceful stance on resolving the Taiwan issue by opting for more forceful measures, or that Beijing would apply highly destabilizing economic and other pressures on Taipei, or that Washington would reach an understanding with Beijing on Taiwan's unification that in some way compromises Japanese security, or alternatively, shift to support de facto Taiwanese independence, thus triggering a conflict with China. The challenge is to assess the likelihood that such risks actually materialize under current or future conditions.

The state of the Sino-U.S. bilateral relationship: The most important factor influencing the likelihood of these risks materializing is the character of the overall political and strategic relationship between the United States and China. Although a source of concern on their own, other considerations in and of themselves such as adverse changes in Taiwan's domestic political environment, the further development of Chinese military capabilities of relevance to Taiwan, or even the general state of cross-strait relations will not trigger the above extreme risks. But one or more such developments could produce such risks if they were to occur amid a fundamental shift in Sino-U.S. relations toward confrontation and hostility.

Such a shift, by creating enormous bilateral distrust and leading both sides to completely accept a zero-sum calculus on all strategic issues, would call into question the longtime basic understanding on Taiwan that has existed since—and, indeed, made possible—the normalization of Sino-U.S. relations. This, in turn, would cause both Beijing and Washington to employ worst-case assessments of any of the above adverse changes. And that would enormously raise the likelihood of miscalculation and overreaction toward Taiwan, drastically increasing the likelihood of conflict. Unfortunately, under current conditions, the chance of such an ugly dynamic is arguably increasing.

A new quid pro quo on Taiwan: The risk that the United States and China might reach a new understanding on Taiwan that compromises Japanese security is not part of the current dynamic surrounding Sino-U.S. ties. Such an outcome could conceivably result from one of three developments: 1) a major improvement in Sino-U.S. relations that virtually ends strategic distrust and produces a new understanding on Taiwan that results in coercive pressure on the island unacceptable to Tokyo; 2) a major decline in U.S. influence across the Western Pacific, leading Washington to make major concessions to Beijing on Taiwan; or 3) an increase in China's attractiveness to Taiwan as a result of China's hypothetical democratization, resulting in a form of unification. As things stand now, however, none of these three developments is likely to occur for the foreseeable future.

Potential Opportunities

The Taiwan issue also presents several potential opportunities for the U.S.-Japan alliance, including the possibility that Beijing could revise its policy stance to accept an autonomous Taiwan, discard the option of using force to achieve unification, or permit Taiwan to expand its diplomatic and political associations. Even in the absence of such developments, Washington might reach an understanding with both Beijing and Tokyo that limits the further militarization of the Taiwan situation, making things more stable.

Under current conditions, none of these opportunities is likely to occur in the near to medium term, although the second possibility is arguably more likely than the first. Again, the larger Sino-U.S. dynamic is the most critical factor, and current trends are moving in decidedly adverse directions that reduce the likelihood of such opportunities emerging.

Areas for Further Study

Further research and reflection are required to define more clearly the possible differences between the United States and Japan over the meaning and likelihood of the aforementioned risks and opportunities. It will also be necessary to assess more precisely how the two allies can work together to reduce risks while increasing the possibility that opportunities emerge in the future.

About the Authors

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