

# ***Take a Step Back: A Window Period for Resolving the Taiwan Straits Crisis***

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**Abstract:** In this paper, discussing the possibility of solving the Taiwan issue is a significant task. By adopting defensive realism and estimating the power of America and China, this paper finds their core interest and baseline in the Taiwan region and gives several solutions. China and America have faced a power decline and will concentrate on securing their supreme; the PRC has inflicted an economic recession, and the US has suffered a domestic political crisis combined with the disintegration of the alliance system. This situation thereby remains the space for resolving regional tension by mutual negotiation. Additionally, this paper assesses the baselines of two countries in the Taiwan strait, of which both powers can accept finite compromise. By the previous discussion, the remedy 'Federation' is their best solution.

**Keywords:** East Asia, China–United States relations, hegemony, power incline, Taiwan Strait Crisis, Solution

## **1. Introduction**

*The minor issue is Taiwan; the big issue is the world.*

----- Mao Zedong's remark to Richard Nixon

In August, the Speakership of the United States House of Representatives, Nancy Pelosi, visited Taiwan, which provoked Peking and inflamed regional tensions [1-3]. The question of solving the Taiwan Strait crisis emerges again.

In this article, I explore how significant the possibility of solving Taiwan's problem in this period is and which solution is feasible. As Taylor Fravel pointed out, the situation of domestic affairs would determine foreign policy direction. Each country makes its diplomacy based on rational decision-making for its core interest. Therefore, the solution to a regional conflict means countries can concede out of their baseline, representing the overlap of the core interests [4,5]. With this premise, this article should answer three questions to assess the regional situation.

- A. *What are the status quo and the core interest of each participant right now?*
- B. *What are the baselines of participants?*
- C. *Which kind of solution is suitable or feasible to solve the Taiwan issue?*

These questions are significant because the Taiwan problem has become one of the major negative factors in China-US relations: in the past seventy years, three Taiwan Strait Crisis happened, which

all but pushed the related regimes into regional warfare. G. Allison proposed five possible triggers for the America-China war, including the Taiwan independence initiated by irresponsible politicians [6]. Accordingly, relieving tension in the Taiwan Strait can improve the relationship, further avoiding the break of war.

Drawing on defensive realism in my argument, China is a limited revisionist – Peking decision-makers do not want to replace the American position or apply unrestricted expansionism [7]. Accordingly, the solution consists of three parts: the de-militarization and neutralization of Taiwan; Peking's promise of nonintervention in Taiwan's internal affairs and confederation with Taipei authority; retreatment of American force from the Taiwan region.

In the following sections, I will discuss three aspects: firstly, what is the participants' status quo and their core interest; secondly, the baseline of participants under these premises - whether Taiwan is an indivisible territory or a strategic position for China, and whether America has to secure Taiwan inside its alliance system or just need to secure its democracy system; Thirdly, based on the previous content, what kinds of solution is suitable and practical for all participants.

## **2. Theory Debate**

Liberalism had predicted that China would democratize via the tightly economic connection and open market with the Western, but, developing with decades, China's authoritarian polity has proved its error; Offensive realism suggests that the structural pressure in international order would bring countries to warfare in a large extent, which I would not discuss in this article. Instead, the following section will adopt defensive realism to find out the possibility of a peaceful solution.

## **3. Status Quo: The Decline of Two Hierarchies**

After 2008, two hierarchies formed in Eastern Asia – China with its economic power and America with its military and ideological power [8]. However, both hegemonies face their power decline.

### **3.1. The Inclination of America in Political Chaos and Allies' Independence**

As Zbigniew Brzezinski pointed out, the importance of democratic ideology and universal allies' loyalty to American hegemony, though American economic power has relatively declined after the 2008 Financial Crisis, the puissant American liberalism preserved in Asian region to promote the open market, economic integration and the spread of democratic institution. Due to the rise of China frightening the 'middle state', American military commitment increased, pushing further collaboration with allies in these areas, such as the American role in The South China Sea Disputes and South Korea THAAD [9].

However, American political chaos and the following diplomatic policies continually reduce allies' credit to liberal doctrine and American security commitment. Shadi Hamid criticized that both parties should be responsible for the 'multifaceted culture war' (or the 'cultural civil war'), which caused the decline of democracy [10-14]. The YouGov survey showed that 60% of Democrats considered Republicans "a serious threat to the United States." On the other side, the figure approaches 70% [15].

This political division is also reflected in diplomatic uncertainty. The neo-isolationism in the Trump Period caused the retreatment from transnational and international organizations, which diminished American commitment to its allies. Though President Biden has promised to revise it, he still adopted the Retrenchment Strategy, such as retreating from Afghan and lack of support to Ukraine, not to mention the conservatives against interventionism [16,17]. American allies sincerely doubted that America had the ability or would like to take the responsibility of protecting regional

order. Some commentators worried that the retreatment of force would even cause the collapse of regional order [18].

### **3.2. The Inclination of China's Economic Power**

China's world hegemony is based on its 'extraordinary economic development.

Because of its policies, the advantage for 'Word Factory' due to low human rights and real estate as an engine of industrial development, China had comprehensively controlled the industrial chain and become most countries' largest trade partner [19]. As a result, domestically, China used its economic growth to satisfy the people; in East Asia, the economic integration and dependence on China enabled the Chinese government to use the economic weapon of 'punishing' those opposite states, overtly revealed in The South China Sea dispute. An economic hegemony has been established in East Asia and projects its impact on other continents [20,21].

However, China is now facing an economic recession in two aspects: the real-estate bubble and the weak spending power, as the direct result of the previous two policies [22,23]. Someone predicted that without enough reformation, China would encounter its 'Lost Thirty years' or a repeat of the social crisis in 1989 [24]. More seriously, the Chinese government is hard to reform. The influential interest groups of export sectors and real estate formed in 2008 have enough motivations to block any policy change [25]. Moreover, some harmful byproducts of rapid growth have also emerged: the population's aging, shortage of natural resources, and financialization-repelling industry. China thereby needs to concentrate on its domestic economic affair. Otherwise, the economic crisis might let foreign countries cast off China's influence and damage the Chinese government's legitimacy.

## **4. Core Interest – Avoid the Warfare**

Under this status quo both China and America disregard starting a war to solve the Taiwan issue because of the need to dispose of the domestic problem to prevent the decline of power instead of accelerating this tendency.

For America, warfare would recall the bitter memory in Vietnam and Afghan, which enlarged the political division; additionally, the contrary of retreatment strategy, warfare, would dialectically increase the disintegration of the American-led pivotal alliance system. During the Ukraine warfare, many countries, such as German and India, did not follow the US action and preserve the trade connection with Russia [26,27]. The liberal appeal failed. Asian and European allies, especially Japan and German, tended to re-militarize and eliminated American military control [28]. The medal option, deterrence, would not be available because of chaos in Washington policymakers and the relative decline of American power – Washington decision-makers doubt whether expansion or retrenchment and doubt that the deterrence will be practical to China [29]. America faces a dilemma: retreatment, expansion, or deterrence policies are unpractical. Therefore, to tackle its domestic problem, the American core interest in foreign affairs is to avert the conflict to avoid any trend of policies; reconciliation is the best choice for America.

On the other hand, China is afraid of blocking trade lines and economic sanctions after attacking Taiwan, which would destroy its fragile economy. This fear has been extended to and reflected in officials' conciliation to those 'grassroots nationalists' or 'cyber-nationalists' while the Chinese government was not virtually attacking Taiwan or Pelosi's plane [30]. China needs America and other countries as the market, investment platform, and raw material source. Though the Chinese government wants to compromise with America in order to secure its economy if a Taiwan politician proclaimed his independence, China has to start a unification war because of his legitimacy – China has used the 'intolerance to Taiwan independence movement' to mobilize the nationalism defending the absolutism regime – so the Chinese government would be compelled to attack Taiwan in the time

they do not want. Considering the fanatical Taiwan populism for independence, Chinese politicians, to a great extent, might agree to sign the accord to solve Taiwan's problem.

## **5. Baselines of Participants**

### **5.1. Taiwan is Just a Strategic Position for China**

Almost all the PRC leaders considered Taiwan as just a tradable jetton. For example, Mao had promised the actual independence of Taiwan to exchange for American support for Chinese national security [31]. The Chinese government was never concerned the 'Territory Integration' as the bottom line for warfare – such as the concession of the southern Tibet valley to India and mountain Changbai to North Korea – instead, Peking has asserted its sovereignty on the Taiwan region just for Taiwan is a geostrategic status to Chinese shore area where has assembled most population and economic center [32]. Peking leaders also do not want to repeat the failure of Putin in Ukraine – the strong sub-nationalism with resistance to China would calm Peking's impulse for actual unification.

Nevertheless, PRC's leaders could not afford the American force that landed in Taiwan, which not only angered the nationalists but also threatened the eastern provinces, the center of the economy. Moreover, taking Taiwan as the base, the guided missile and reconnaissance plane will quickly fly to the interior of the mainland, and the American navy will have an unsinkable aircraft carrier. Therefore, the Chinese baseline is that Taiwan should be a part of China nominally, and the American military force should retreat from this region.

### **5.2. Taiwan's Issue is a Troublesome Legacy for the US**

Taiwan has been an issue since the Cold War time. Because of the 'red fear' and the Korean War, America was concerned about the PRC's deep bond with the USSR as a Eurasian communist bloc; America included the Taiwan authority as the defense of the First Island Chain to undermine China's sphere. However, State Department officials and Acheson initially pointed out that Taiwan as a part of containment was unnecessary, which would inspire Chinese nationalists and eliminate the possibility of reconciliation; the first edition of the 'defensive perimeter' did not include Taiwan [33]. After all, the Second Island Chain is enough to tackle the possible threat, especially a peaceful region under the America-China accord for Taiwan. The Taiwan issue is a heritage intertwining the US, but after the failure of communism, America does not need to deter China on the base of intervening in its sovereignty [34].

America cannot accept, on the other hand, that Peking attacked and destroyed Taiwan's democracy. Not only will the outbreak of warfare enhance allies' independence, but the collapse of the democratic institution will also strengthen the incline of ideological power. Moreover, allies might suspect that the United States does not want to protect the liberal doctrine and feel depressed. Thus, America will not block legal unification, but it cannot accept that China unifies Taiwan with force or coercion.

## **6. Conclusion: Possible Solution**

Both countries, accordingly, have the base of cooperation on the Taiwan problem. Peking expects national safety and legal unification; America accepts standard unification and wants to secure Taiwan's democracy; both countries do not want to have warfare right now, but many factors involve them in the possible warfare among Taiwan. In this situation, a kind of solution is best for the bilateral concession – neutralization. Bruce Gilley, with a different logic and a more peaceful situation, deducted that 'Finlandization of Taiwan' would benefit America but lack the demonstration of necessity and possibility for China and America to apply it immediately, the scheme of 'Prussia-Rhein Republic Confederation' after WWI is also a sample to tackle the conflict between regions in

one nation; Switzerland's neutral policy during World War is another paradigm for avoiding warfare [35]. I would propose several variable solutions based on my analysis and the previous samples.

### **6.1. Solution1: De-militarization and Neutralization of Taiwan**

In this solution, Washington will retreat its force from Taiwan and cease Taiwan Relations Act to respect Chinese sovereignty. Peking should promise that he will not attack Taiwan and respect Taiwan's democratic institution. However, in this solution, China and America still retain the sovereignty problem over the Taiwan region – whether Taiwan is a state or an autonomous province. Moreover, the relationship between Taipei and Peking is unclear, which might make burry the seed of conflict in the future. Therefore, the following solutions will add more mechanisms based on the *solution1*.

### **6.2. Solution1.1: Taiwan as an Independent Republic State and Confederate with Mainland China**

In this solution, Taiwan will become an independent republic state with its sovereignty; Taipei and Peking will sign the agreement to become a loose confederation. Taipei and Peking will own the same position, but they will still generally be in one country.

However, China's economic and military power has surpassed Taiwan, which means nationalists and PRC's decision makers might not accept the solution injuring their self-respect. The success rate of this solution will thereby decrease.

Chinese nationalism and China authority might consider it as a kind of humiliation and refuse to negotiate on it.

### **6.3. Solution1.2: China Unifies Peacefully with Taiwan under 'One Nation, Two Systems.'**

This solution is the most possible because of the Chinese government's attitude. Even after Pelosi's travel to Taipei, the Chinese government still shows the possibility of 'peaceful unification' (though the tone has been more severe). In the White Paper, 'The Taiwan Question and China's Reunification in the New Era', the '1992 Consensus' even had been emphasized than the previous similar documents; China's ambassador to the US also claimed the determination of 'peaceful unification' under 'One nation, two systems'[36,37].

Nevertheless, this solution will create numerous worries and uncertainty. With the precedent in Hong Kong, Taiwanese people might suspect Peking will grasp the power and change the democratic institution on the island, using military force to suppress possible demonstrations. The 'One nation, two systems' is not convincing anymore.

### **6.4. Solution1.3: a Federation**

This solution is the most suitable one. In this solution, Taipei typically belongs to Peking, and Taiwan is a republic state of a 'Mainland-Taiwan Republic Federation', with Peking as its capital. The Chinese government will have less control (or less chance to control) than *solution1.2* and give more respect to nationalists and PRC leaders than the *solution1.1*. Though America and China will have more negotiating points under the structure of this solution, it can resolve the Taiwan problem with fewer seeds for future conflicts. The China-America relation might be improved, and the Taiwan Strait will finally welcome its peaceful era after hundred years of conflicts.



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