ON 10 OCTOBER 2020, simmering political tensions between the People’s Republic of China (PRC) and the Republic of China (Taiwan) erupted in the form of a physical fight between their diplomats in Fiji. Two Chinese embassy officials had allegedly gate-crashed a National Day reception hosted by the Taiwan trade office — Taiwan’s *de facto* embassy. The Taiwanese side claimed the Chinese officials were conducting intelligence-gathering activities about the function and its guests and assaulted a Taiwanese diplomat who asked them to leave; the Chinese Embassy blamed the Taiwanese diplomat for acting ‘provocatively’ and causing ‘injuries and damage to one Chinese diplomat’. In any case, it was a Taiwanese official who ended up in hospital with a head injury.

This episode illustrates Taiwan’s increasing diplomatic isolation at the hands of China and the breakdown of mutual trust in recent years. Beijing has little incentive to change course, given the luxury of its economic and military strength, as well as its increasingly nationalistic ideology. This leaves Taipei searching for a new strategy for coping with China’s ‘wolf-warrior diplomacy’ and escalating rivalry with the United States.

Beginning in the late 2000s, administrations of different political stripes in both Washington and Taipei pursued policies of political and economic engagement with China. The hope of some was that
this would promote economic liberalisation in the PRC, which would lead also to political liberalisation, if not outright democratisation. The ‘(inter)democratic peace theory’ in international relations, which has its roots in Immanuel Kant’s 1795 idea that people would never vote to go to war, holds that democracies do not fight democracies. By that logic, engagement with a liberalising China should also have ‘pacified’ it as a security concern to liberal democracies around the world.

This scenario allowed China to, as Deng Xiaoping 邓小平 put it, ‘hide its strength and bide its time’ in international affairs, creating a path for a peaceful rise to quasi-superpower status. What’s more, to take actions they believed would strengthen the moderates and ‘liberals’ in Zhongnanhai, both Washington and Taipei accommodated elements of Chinese foreign policy that were out of sync with the norms of the liberal international order. While looking after the ‘big picture’ of US–China relations, meanwhile, policymakers and pundits in Washington often practised benign neglect of the third vertex of the triangle, Taiwan.

Taiwan, for its part, was largely content with this until 2019. Indeed, the population remained undecided about the price it was willing to pay for Taiwan’s political future. Opinion poll after opinion poll showed a majority of the population preferred to maintain the cross-strait status quo — either in perpetuity or at least for the moment.² They were pragmatic: 60.8 percent of Taiwanese were still willing to work in China or do business there as of 2018. The heightened cross-strait tensions during 2016–2018, rather than sparking Taiwan’s nationalist pushback, actually resulted in a mild dip in Taiwanese national self-identification in Commonwealth Magazine’s annual polls.³ For example, between 2017 and 2018, when pollsters asked whether respondents self-identified as ‘Taiwanese’, ‘Chinese’ or ‘both Taiwanese and Chinese’, the percentage who self-identified as ‘Taiwanese’ decreased by 4 percent and 7.8 percent, respectively, for those aged 20–29 and 30–39 years.

For their part, Taiwan’s political elites had adopted what I describe as the strategic posture of ‘dual alignment’ or, as expressed by its most famous advocate, former president Ma Ying-jeou 馬英九, ‘stay close to America
and on good terms with China’. Yet while the US has been Taipei’s primary security guarantor since the onset of the Korean War in 1950, the guarantee of protection has always been ill-defined. There is no current formal treaty codifying a security commitment, with the closest thing being America’s Taiwan Relations Act, which is only domestic legislation. It describes Chinese military action against Taiwan as a ‘grave concern’ to the United States, without obligating the US to make a proportional military response to defend the island. Implicitly, US support has also been conditional on Taipei boosting its own defence and not on unduly ‘provoking’ Beijing, even if the line for what counts as provocation is constantly shifting.

A natural extension of that logic has been that, for Taipei to maintain good relations with its superpower patron, it has also needed to maintain cordial relations with Beijing. ‘Dual alignment’ has pushed Taipei to seek friendly relations or partnership with both the US and China.  

A series of recent crises have undermined that harmonious three-way arrangement. In Washington, the ever-escalating US–China trade war, Cold War–style rhetoric and sociocultural-academic decoupling under outgoing president Donald Trump have undermined and sidelined advocates for engagement. As for Taiwan, in the words of the American
international relations scholar Charles L. Glaser, it remains ‘a secondary, albeit not insignificant, US interest’.5

Chinese President Xi Jinping’s 习近平 2019 ‘Message to Compatriots in Taiwan’, which called for greater cross-strait integration, became a divisive issue in Taiwan’s 2020 presidential and legislative elections. The ruling Democratic Progressive Party (DPP), which is relatively assertive towards China, won the elections with 57 percent of the vote. The PRC greeted that development with military drills in the Taiwan Strait and renewed efforts to isolate Taiwan diplomatically. This pressure became the subject of intense international discussion and media coverage when Beijing insisted that Taiwan be excluded from the 2020 meeting of the World Health Assembly to discuss the COVID-19 pandemic. Many found this demand highly problematic given that Taiwan had proved a successful model in containing the disease without imposing a major lockdown or significantly damaging its economy.

The US State Department sent more senior officials to visit Taiwan in 2020 than it had in the previous four decades, including undersecretary of state Keith Krach and health secretary Alex Azar. Since 2019, Washington has also sent US naval warships to sail through the South China Sea and Taiwan Strait on a number of routine ‘freedom of navigation operations’. These are intended to boost Washington’s perceived security commitment towards Taiwan and ‘a free and open Indo-Pacific’, according to a statement issued by the US Seventh Fleet.6

Taipei is keenly aware that, with President Xi in power (apparently for the long term), and China hawks increasingly ascendant in Washington, the age of ‘dual alignment’ is over. By late 2018, Taiwan had to choose sides. It chose the US, which has no territorial ambitions towards the island and poses no existential threat. But in so doing, and by Taiwanese President Tsai Ing-Wen’s 蔡英文 own admission, Taiwan is now the ‘frontline state’7 in the emerging bipolar rivalry — if not a new Cold War — between the US and China. Should that strategic rivalry escalate into military conflict, Taipei would be vulnerable to attack by the People’s Liberation Army (PLA).

Dual alignment — the comfort blanket that freed Taipei from having to make tough strategic choices in the past — seems no longer sustainable.
Yet Taiwan is struggling to find a viable alternative. It is facing a crisis of grand strategy.

On the one hand, Taiwan’s main opposition party, the relatively China-friendly Kuomintang (KMT), still largely clings to the idea of dual alignment. This is despite the fact that the strategy’s underlying foundation on a US–China entente no longer exists. The electorate, well aware of this fact, has punished the KMT accordingly. On the other hand, while the ruling DPP enjoys great popularity for now, without the capacity to communicate with Beijing, it is struggling to regain agency in the US–China–Taiwan relationship, leaving dependency on the US as the only viable option. Yet with dependency comes the constant fear of abandonment. Each piece of news about progress on the US–China trade front renews paranoia in Taipei about whether Washington will one day trade away Taiwanese security interests in exchange for Chinese concessions and abandon it to China.

This constant fear of abandonment may push Taipei into two unintentionally self-defeating measures. First, Taiwan may elect to demonstrate greater commitment towards the US in the hope of eliciting greater US support. For example, Taipei may make expensive purchases of US defence material in the hope that ‘America helps those who help themselves’; in late 2020, the Trump administration approved a potential US$1.8 billion weapons sale to Taiwan. Even if this strengthens Taiwan’s ability to deter Chinese military aggression, it will mean less spending on domestic needs and will thus erode the government’s domestic electoral support.

Second, it may enter into defence and intelligence-sharing arrangements with the US in the name of improving joint interoperability and strengthening deterrence against Chinese aggression. Yet, the decision about whether and when to enter a conflict has always been the prerogative of Washington, which would not look favourably on any attempt by Taipei to entrap or undermine American strategic autonomy in its own interest.

Taiwan’s conundrum may be unavoidable given its unique situation. Whether Taiwan can identify a viable alternative to dual alignment will determine its ability to survive and thrive as the Sinophone world’s foremost liberal democratic society.