

**Brief Report for the Policy Roundtable #1:
Safeguarding Taiwan's Future in an Era of Global Uncertainty**

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For this policy roundtable, I would like to talk about Taiwan's China policy in the context of Sino-US relations. I will divide my discussions into three parts: (1) Taiwan's policy now; (2) Taiwan in Sino-US relations; and (3) observations about future development.

Taiwan's China Policy Now

I think President Lai of Taiwan is adopting a very similar policy toward China as his predecessor, President Tsai who took a middle-of-the-road approach toward China. On the one hand, Tsai didn't accept the idea of "one China" (which President Ma, from 2008 to 2016, had accepted). On the other hand, she didn't push too hard for Taiwan's de jure independence, either (which President Chen, from 2000 to 2008, had tried to do). As I see it, President Lai has been following a similar path at least for now as revealed by his reiteration of Tsai's "Four Commitments" and his own "Four Pillars of Peace" action plan. I believe this is a good approach that Taiwan should continue to adopt because it serves the interests of the US, which is Taiwan's biggest ally against China, in the Taiwan Strait: preserving the peaceful status quo by maintaining Taiwan's status as a de facto but not a de jure independent country.

Taiwan in Sino-US Relations

This approach being adopted by Taiwan especially benefits the US now as the latter is trying to compete with China without confronting it. The US has changed its policy toward China from a policy of engagement to that of competition. This has been pressing the US allies to more closely side with the US on many political and economic issues against China which include but of course are not limited to that about Taiwan. That being said, it is fair to say that the US still has no intention to totally confront China at least for now. It is reasonable to predict that Harris as the current US vice president, if elected, would adopt the same policy of competition without confrontation. As for Trump, I believe his policy, if he is elected, would also be similar to that policy. After all, it is Trump as the US president from 2016 to 2020 who moved Sino-US relations away from those of engagement with his "trade war" against China. Then, the COVID-19 pandemic only worsened their relations just

when the two countries were ready to work together to resolve their economic disputes. However, there might be one difference between Harris's and Trump's policies. With his "America first" mentality, Trump has revealed his dissatisfaction with what he believes is free riding by the US allies when it comes to the issues about security. Therefore, it is reasonable to predict that the US allies including Taiwan would feel more pressure from the US to share more responsibility for their own security if Trump is elected.

Observations about Future Development

Although, as mentioned, Taiwan's middle-of-the-road approach toward China is a good one, it also shows that there seems to be very little room for Taiwan to take any significant action of its own about China-Taiwan-US relations. In other words, it could only be a responder to the development of Sino-US relations in general and the US policy toward China in particular. Take the recent development of China-Taiwan economic ties for example. While Taiwan's investment in China has been decreasing, the US has become the top destination of Taiwan's outward foreign direct investment. Significantly reducing the China-Taiwan economic ties is something that many of those Taiwanese policy makers who are worried about Taiwan's economic dependence on China have been trying to achieve. However, it seems that this unprecedented situation is actually caused by the Sino-US tech war in general and the chip ban imposed by the US against China in particular which, on the one hand, prohibit Taiwan from selling advanced semiconductors, as well as the machines and technologies that are used to produce those semiconductors, to China and, on the other hand, encourage Taiwan to hugely increase its investment in the US semiconductor industry. In other words, it is largely a result of the US policy instead of any Taiwanese policy. Simply speaking, when the US has interests in being conciliatory toward China (like what it did after the 9/11 terrorist attacks), Taiwan would have little room to be too hostile toward China. By contrast, when the US has interests in being tough on China (like what it is doing now), Taiwan might have little room to be very conciliatory toward China. Therefore, as I see it, how Sino-US relations will develop is what really matters here. That being said, the ongoing tension between China and the US does provide Taiwan with a good opportunity to strengthen its political and economic ties with the US, as well as the US allies, and Taiwan should try to make the best of this opportunity given that it might be gone in the future if Sino-US relations improve for any reason.