

In Defence of the Status Quo: Stabilising Cross-Strait Relations under the Lai Ching-Te Administration

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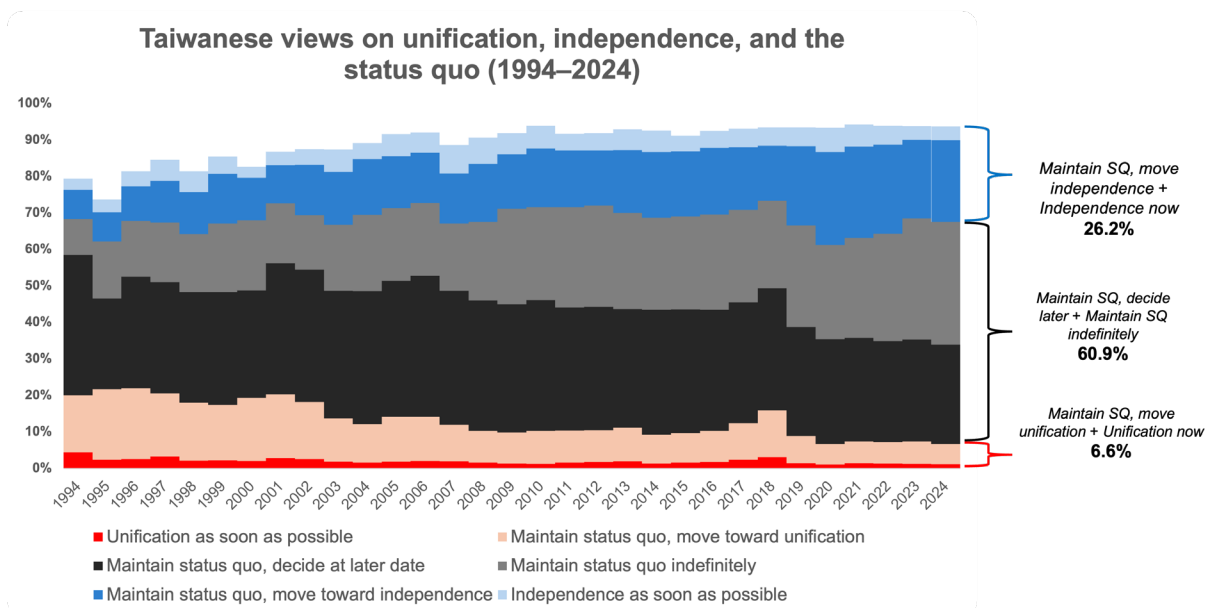
Cover Photo: President Lai Ching-Te delivers his inaugural address, 22 May 2024 (Office of the President, Republic of China (Taiwan)).

Executive Summary

How will cross-strait relations evolve under the Lai Ching-Te administration amidst quickly increasing cross-strait tensions? Will Taiwan’s new national leader be able to maintain peace and stability across the Taiwan Strait by continuing to abide by the principles of maintaining status quo? This report seeks to analyse how the 2024 presidential election result and the Taiwanese public’s changing views towards its relations with China (and particularly, the unification with China) are likely to affect regional stability, considering recent developments following Lai’s inauguration.

The Taiwanese elections have re-shaped Taiwan’s political landscape, creating a three-party parliament and the first no-majority government in sixteen years. President Lai has a record of pro-independence views, but the new majority in the Legislative Yuan has the potential to balance those views to some extent, and has sought to pursue unofficial dialogues with the Mainland. China has reacted strongly to the election of Lai and sought to influence the election results through military, economic, diplomatic, and disinformation campaigns, and also issued stern warnings at US support for Lai.

Meanwhile, a leading opinion survey, conducted by the Election Research Center (ERC) at the National Cheng Chi University (NCCU), revealed strong support for maintaining the status quo. The survey shows slowly declining support for the option “*maintaining status quo, move towards independence*” (22.4%) since 2020, and the highest support for “*maintaining status quo indefinitely*” (33.6%) since the survey was first conducted in 1994. The divergence is notable, because in 2020, both options received equal support. The survey also finds support for “*maintaining status quo and decide at later date*” (27.3%) since 1996, as well as the lowest support for “*unification as soon as possible*” (1.1%) since 1994. The change of Taiwanese attitudes since 2020 reflects a desire to prioritise stability over independence.



The Taiwan issue lies at the core of US-China relations. The future of cross-strait relations will have a significant impact on peace and stability in the Asia-Pacific and the world. In the past two decades, when US-China relations were smooth, cross-strait relations usually moved in a positive direction. Conversely, when US-China relations became less stable, cross-strait relations also became difficult. As long as China believes that the United States is supporting Taiwan's independence, China will inevitably stand ready to react strongly. China's strong reaction to the visit of then-House Speaker Nancy Pelosi in 2022 is evidence of this fact.

Immediately after Pelosi's visit, ASEAN states issued a Foreign Ministers' Statement expressing their concerns and calling for "maximum restraint." Most ASEAN states have a huge stake in the Taiwan Strait, not only because China is their largest export market or import source, but also because of people to people exchanges, trade, and investment activities with Taiwan, including a large presence of foreign laborers.

After Pelosi's visit in Taiwan in August 2022 and China's extensive military drills in the Taiwan Strait, fears of supply chain disruption have emerged among Taiwan's trade partners, including ASEAN states, Japan, and Europe. An increasing number of companies have urged their suppliers or contract manufacturers in Taiwan to consider a "Taiwan + 1" strategy to extend supply chains outside Taiwan with the objective of achieving de-risking.

A particular aspect of supply chain disruption which has received much attention is that of Taiwan's leading role as a semiconductor manufacturer. It has been suggested that this serves as a "Silicon Shield" and could act as a strong deterrent to China. However, some have drawn the opposite conclusion, arguing that control over the strategic industry serves as an incentive for invasion.

The report suggests that, as international supply chains shift and the security situation around Taiwan develops, the 'Silicon Shield' may not protect Taiwan from a Chinese attack. Focus must instead lie on self-restraint and constructive dialogue, to ease tensions across the Taiwan Strait and maintain the status quo. The report makes several recommendations to this end.

Resume cross-strait dialogues to avoid escalating tensions in the Taiwan Strait

- Taipei and Beijing should both send positive signals to resume dialogues, possibly starting with the resumption of tourism or the exchange of degree students.
- The United States can play an important role in encouraging dialogue while reassuring both parties that it does not intend to take any action that would force a change in the status quo.
- Regional states like Singapore and South Korea may consider creating a platform for cross-strait conversations and encouraging self-restraint.

Ensure correct understanding of Taiwanese support for the status quo and Lowest interests in independence, and explore an innovative theory to replace the 1992 Consensus

- China should recognise the Taiwanese public's low interest in seeking independence, and the two sides should consider exploring approaches to maintaining a "permanent status quo."
- China needs to better understand the evolving sentiment in Taiwan, particularly the rejection of independence following developments since the 1992 Consensus and China's broken promise of "One Country, Two System" in Hong Kong.
- The new majority in the Legislative Yuan should set up a special committee to review domestic views on independence and host policy debates aimed at gradually finding a consensus on how to maintain the status quo, which reflects the will of the Taiwanese people.
- Scholars should conduct surveys of the one million Southeast Asian nationals – migrant workers, foreign spouses, and international students – in Taiwan to understand their views of the issue of independence, status quo, and unification, to underscore the stake that ASEAN countries have in peace and stability in the Taiwan Strait.

Increase joint efforts to deter Chinese use of force and assist Taiwan's meaningful international participation

- Countries and groupings, such as the QUAD, G7, OECD, and EU, should work to deter China from conducting a military invasion of Taiwan by warning China of the extremely high costs of unilateral change to the status quo.
- Countries and international organisations sharing common interests with Taiwan should assist it in joining public health or economic organisations or mechanisms. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) members should deter political interference in assessing new members' applications.

In Defence of the Status Quo: Cross-Strait Relations Under the Lai Ching-Te Administration

Kristy Hsu

Introduction

In May 2024, Tsai Ing-Wen finished her eight-year, two-term presidency of Taiwan, leaving a legacy of closer ties with the United States and Western democracies. Although China intensified military, economic, diplomatic, and cyber measures against Taiwan during her tenure, Tsai cultivated a perception among the Chinese leadership of carefully respecting their red line by avoiding any official pursuit of Taiwan independence.

Tsai's successor, president Lai Ching-Te, was sworn in on 20 May 2024 as the sixteenth President of the Republic of China (Taiwan). Although Lai said that he would follow the principles and models for cross-strait relations as set out by Tsai, his inaugural address emphasised Taiwanese sovereignty and immediately incited military actions and economic sanctions from China, which declared that Lai "stubbornly insisted on the position of Taiwanese independence."

How will cross-strait relations evolve under the Lai administration amidst quickly increasing cross-strait tensions? Will Taiwan's new national leader be able to maintain peace and stability across the Taiwan Strait by continuing to abide by the principles of maintaining status quo? This report seeks to analyse how the 2024 presidential election result, and Taiwan society's changing views towards unification with China, are likely to affect regional stability, considering recent developments after Lai's inauguration. Noting that a Taiwanese declaration of independence would be the most likely trigger of a cross-strait conflict, the report finds a tension between Lai's expressed support for independence and the Taiwanese people's support for continuing the status quo. The Taiwanese public is not supportive of independence, as shown by surveys and the election result. The report proposes a number of policy recommendations for Taiwan, China, the United States and other countries, such as European Union Member States, on how to understand these developments, work towards avoiding conflict in the Taiwan Strait, and maintain the status quo.

2024 Elections: Changing Political Landscape and Chinese Influence Campaigns

Taiwan held presidential and parliamentary elections on 13 January 2024. The candidate representing the ruling Democratic Progressive Party (DPP) and the former Vice President, Lai Ching-Te, was elected President, winning DPP's third consecutive presidential election following President Tsai Ing-Wen's two terms (2016-2024). Unlike Tsai, who won her two elections with 56 and 58 percent of the vote respectively, Lai won the election with just over 40 percent of the votes. The Kuomintang (KMT) candidate Hou Yu-Ih and the Taiwan People's Party (TPP) candidate Ko Wen-Je split the remaining 60 percent between them, meaning that the DPP won the presidency but lost the majority in the Legislative Yuan (Taiwan's unicameral parliament). The KMT emerged as the largest party, with fifty-two out of 113 seats, and formed a strategic alliance with the TPP, which holds eight seats. The DPP's weaker performance compared with the 2020 election results, together with the rise of the TPP, led to a structural change of Taiwan's political landscape, from a two-party to a multi-party structure.¹

In contrast to DPP and Lai's demonstrated strong stance towards China, both KMT and TPP are comparatively more supportive of engagement and dialogues with Beijing. The new parliamentary coalition will have the ability to hinder implementation of Lai government's programs over the next four years, which will likely serve to balance Lai's China policy. Lai had claimed himself to be a "pragmatic worker for independence" and advocated for Taiwanese independence, and thus was closely watched by China. The new Legislature structure will create political dynamics that create both challenges and opportunities for future cross-strait relations.

The election results in Taiwan were received with some anxiety in the region. Experts noted that unless Lai were to announce a policy shift to improve relations with China, cross-strait relations under his administration would remain strained.² Furthermore, although the United States and other Western countries congratulated Taiwan for smoothly concluding the elections, they were also concerned that Lai would escalate tensions in the Strait. The chair of the American Institute in Taiwan (AIT), Laura Rosenberger, visited Taiwan more than five times since she took office in March 2023 to signal that the United States does not wish to see conflicts in the region intensify further.

¹ Ko Wen-Je is former Taipei mayor and founder and chairman of the TPP. In the election, Ko unexpectedly won 26.5 percent of the votes. Hou Yu-Ih of the KMT won 33.5 percent of the votes.

² See: Chieh-chi Hsieh, "Deviation or Continuation of Tsai's Approach to Cross-Strait Relations? A Few Hints from President Lai's Inaugural Address," *Taiwan Insight* (blog), June 6, 2024, <https://taiwaninsight.org/2024/06/06/deviation-or-continuation-of-tsais-approach-to-cross-strait-relations-a-few-hints-from-president-lais-inaugural-address/>

Lai responded carefully to these concerns before and after the elections. He has repeatedly committed to following Tsai's "path," suggesting he will moderate his stance on independence during his presidency.



President Tsai Ing-wen meets President Baron Waqa of Nauru at her inauguration as the 14th-term president, May 2016 (Office of the President, Republic of China (Taiwan)).

China's attempts at influencing the Taiwanese Elections

Since Taiwan held its first direct presidential election in 1996, China has consistently sought to interfere in the election process. Mostly notably, China conducted a round of missile launches in the waters surrounding Taiwan in the run-up to the 1996 presidential election. In recent years, China-initiated or funded interference measures further expanded to organising military drills in the Taiwan Strait, imposing economic sanctions, and providing paid trips to local leaders and bloggers to visit the Mainland. China has also deployed disinformation and propaganda campaigns through social media and online platforms, such as WeChat (微信) and Little Red Book (小紅書), frequently targeting young students.³

³ Also known as RED, Little Red Book is a popular social media app in China which allows users and influencers to post, discover and share product reviews among its three million registered active users. Dennis Lu Chung Weng, "China's Interference in Taiwan's Elections: Patterns and Goals," *Prospects & Perspectives*, no. 72 (December 14, 2023), <https://www.pf.org.tw/tw/pfch/13-10460.html>

Among these interference measures, China has intensified its disinformation campaign in Taiwan. In the weeks leading up to the 2024 election, a 300-page e-book titled “The Secret History of Tsai Ing-wen” circulated on social media platforms. According to the Doublethink Lab, a Taiwanese organisation well-known for its work on tracking Chinese influence operations, a large volume of videos circulated on Instagram, YouTube, TikTok, and other platforms, featuring artificial intelligence reading out the book. Doublethink confirmed its investigation with “very high confidence” that the campaign was the handiwork of the Chinese Communist Party (CCP).⁴ In April 2024, Microsoft released a report highlighting how China deployed disinformation campaigns during the Taiwanese elections.⁵ These campaigns included false rumours of Lai Ching-Te fathering an illegitimate child, and vice President Hsiao Bi-khim being ineligible for office due to holding a US citizenship.⁶

Furthermore, in the lead-up to the 2024 election in January, China conducted intense military exercises in the Taiwan Strait and launched economic sanctions against imports from Taiwan. The risks of a blockade or quarantine of Taiwan threaten operations of trade and supply chains due to disconnection of maritime and air connections across the Strait and disruption of production activities. As Taiwan is a net importer of energy and food, instability across the Strait also threatens energy and food security in Taiwan and countries in the region.

In recent years, China’s increased military exercises in the Taiwan Strait has made Taiwan one of the flashpoints and “the most dangerous place on earth.”⁷ The tensions further increased when the Trump administration designated China as a systemic rival and strategic competitor. Under the Biden administration, the United States has continued to increase its support for Taiwan by passing pro-Taiwan legislations and increasing arms sales. Frequent high-ranking official exchanges and parliamentary delegations are also seen by China as violating One China policy and undermining China’s sovereignty over Taiwan. The tensions reached new heights when US then-House Speaker Nancy Pelosi visited Taiwan in August 2022. On August 4th, China’s People’s Liberation Army (PLA) launched 11 missiles and sent 22 aircrafts across the median line of the Taiwan Strait. Since then, China’s large military drills around Taiwan have become regular – a “new normal” in the Strait.

4 Rishi Iyengar, “How China Exploited Taiwan’s Election—and What It Could Do Next,” *Foreign Policy*, September 5, 2024, <https://foreignpolicy.com/2024/01/23/taiwan-election-china-disinformation-influence-interference/>

5 “Same Targets, New Playbooks: East Asia Threat Actors Employ Unique Methods” (Microsoft, April 4, 2024), <https://www.microsoft.com/en-us/security/security-insider/intelligence-reports/east-asia-threat-actors-employ-unique-methods>

6 The same rumor was circulated in the 2015 election. Hsiao gave up her US citizenship in 2002 before she became a legislator. See: <https://www.federalregister.gov/documents/2002/07/22/02-18326/quarterly-publication-of-individuals-who-have-chosen-to-expatriate-as-required-by-section-6039g>

7 *The Economist* has called Taiwan “the most dangerous place on earth”, see: “The Most Dangerous Place on Earth,” *The Economist*, May 1, 2021, <https://www.economist.com/leaders/2021/05/01/the-most-dangerous-place-on-earth>

On 21 December 2023, only two weeks before the election, China announced it would terminate the zero tariffs applied on 12 petrochemical products imported from Taiwan under the cross-strait Economic Cooperation Framework Agreement (ECFA), to be effective from January 1st, 2024. China's decision shocked Taiwanese society as it is the first time China decided to terminate tariff concessions provided to Taiwan under the ECFA, the most important institutional trade arrangement between Taiwan and China. China's withdrawal of concessions has huge impacts on Taiwan's manufacturing industries, which depend heavily on Chinese markets.

The ECFA, proposed and negotiated in 2009 by former president Ma Ing Jeou, was the first cross-strait trade deal since 1949 to provide mutual preferential market access. It provides preferential tariffs for imports of 539 products from Taiwan under its Early Harvest Scheme. The ECFA was originally designed to be the initial agreement followed by consequent trade agreements to eventually develop a free trade area between Taiwan and China. However, after Tsai took office in 2016, further negotiations were rejected by China and never resumed.

China's Taiwan Affairs Office of the State Council and the Ministry of Commerce claimed that the ECFA was negotiated on the basis of Taiwan's support of the 1992 Consensus, and that the DPP and Lai need to recognise the 1992 Consensus in order to continue to enjoy the preferential treatments.⁸ Since 2021, China has sanctioned Taiwan by unilaterally restricting imports of fruits and fishery products, such as pineapples and grouper, claiming violations of the 1992 Consensus. This latest action suggests that China will continue to coerce Taiwan to accept the 1992 Consensus and One China policy.

Using trade measures to coerce Taiwan into accepting China's unification agenda clearly demonstrates China weaponising its economic dominance and market power for political agenda. Such economic coercion has already been imposed on some Asian and European countries. Notable recent examples include China banning Australian wine and coal imports after Australia banned the Chinese telecom company Huawei in 2018 and urged an inquiry into the origins of the pandemic in 2020. And in 2021, China downgraded relations with Lithuania after it opened a trade office in Taipei. However, given the close economic ties across the Taiwan Strait and China's claim on Taiwan, its use of economic coercion is viewed with more acute concern in Taiwan.

Furthermore, to isolate Taiwan in the international sphere, China continued to pressure international organisations and major countries to reject Taiwan's participation, for example, to influence the World Health Assembly (WHA) not to extend an invitation to Taiwan's DPP government. Two days after the election, China re-established diplomatic ties with Nauru, the third Pacific Island country to

⁸ "Suspension of Tariff Concessions on Taiwan Products Justified, Lawful: Mainland Spokesperson," *Xinhua*, December 29, 2023, http://eng.taiwan.cn/cross_strait_exchanges/202401/t20240102_12591148.htm

switch from Taiwan to China since 2019,⁹ reducing Taiwan’s remaining diplomatic allies to twelve.¹⁰ China continues to pressure Palau, Marshall Islands, and Tuvalu — Taiwan’s three remaining allies in the Pacific — with generous economic incentives, urging them to sever diplomatic ties with Taiwan.¹¹

Before Nauru, nine of Taiwan’s former diplomatic allies had switched diplomatic recognition to Beijing during the Tsai administration, including seven in Tsai’s first term, such as the Dominican Republic (2018) and Panama (2017), and three in her second term, including Honduras (2023) and Nicaragua (2021). (See Table 1).

Country	Year	President of Taiwan
Nauru	2024	Tsai Ing-wen (DP)
Honduras	2023	
Nicaragua	2021	
Kiribati	2019	
Solomon Islands		
Burkina Faso		
Dominican Republic	2018	
El Salvador	2017	
Panama		
São Tomé and Príncipe		
Gambia*	2016	Ma Ying-jeou (KMT)
	2013	
Malawi	2008	Chen Shui-bian (DP)
Costa Rica	2007	
Chad	2006	
Grenada	2005	
Senegal		
Vanuatu**		
Dominica	2004	
Liberia	2003	
North Macedonia	2001	

Table 1: *Gambia severed ties with Taiwan in 2013. China did not establish ties until after Tsai was elected in 2016. **Vanuatu established diplomatic relations with Taiwan for a short period before switching back to China. Source: Brian Hart, “Analyzing China’s Escalation after Taiwan President Tsai Ing-Wen’s 2023 U.S. Transit,” *ChinaPower Project* (blog), April 26, 2023, <https://chinapower.csis.org/analyzing-chinas-response-to-taiwan-president-tsai-ing-wen-transit/>

9 This is the second time that Nauru switched diplomatic allegiance from Taiwan to China.

10 When Tsai Ing-Wen was inaugurated in 2016, Taiwan had twenty-two diplomatic allies.

11 Stephen Dziedzic, “Despite Beijing’s attempts to ‘lure’ more support in the Pacific, Taiwan’s top diplomat in Australia backs ties with Tuvalu,” *ABC News*, Feb 5 2024, <https://www.abc.net.au/news/2024-02-05/taiwan-tuvalu-beijing-china-pacific-diplomatic-switch-ties-/103421410>

The April 2024 Ma-Xi meeting: Xi's offer of olive branch?

The DPP's main political opponent, the KMT, holds a distinctly different stance on China. As cross-strait relations have worsened, the KMT has engaged in its own form of unofficial diplomacy with the Mainland. KMT has organised several delegations to China after Pelosi's visit in August 2022, although the exact number is unclear from open sources. After the 2024 election, former President and KMT Chairman Ma Ying-Jeou led a group of 30 young students to visit Beijing, where they formally met with Chinese President Xi Jinping.¹² This meeting was the second between Ma and Xi after the historic first Ma-Xi Meeting in Singapore in late 2015. It was also the first time Xi formally received a former Taiwanese leader in Beijing's Great Hall of the People, and the first time Xi received Taiwanese students.

Xi's address to Ma and the students was widely reported by Chinese state media.¹³ Instead of re-iterating the 1992 Consensus and Chinese sovereignty over Taiwan or his determination to seek unification, Xi mentioned that both Chinese and Taiwanese people are from the same Chinese family (中華民族) and that outside interference could not stop the "family reunion" between the two sides of the Strait. Xi's focus on peace across the Strait and use of softer tone, appealing to family ties rather than sovereignty ties, were seen as an olive branch to the DPP and Lai.¹⁴ Therefore, although the DPP criticised Xi's remarks as the PLA continued its military coercion against Taiwan, the Ma-Xi meeting might have helped temporarily alleviate tensions across the Taiwan Strait. However, China's response to Lai's inauguration shows that the ability of the Taiwanese opposition parties to influence cross-strait relations remains limited.

Reactions to Lai Ching-Te's inaugural address

On 20 May 2024, Lai was inaugurated as the sixteenth president of the Republic of China. In his inaugural address, titled "Building a democratic, peaceful, and prosperous new Taiwan," he first addressed the new structure of the Legislative Yuan, where, for the first time in sixteen years, no party holds an absolute majority. He committed to enhance coordination and cooperation between the executive and legislative branches to advance national policy.¹⁵

¹² Ma established the Ma Ying Jeou Foundation (馬英九基金會) after he left office to promote youth exchanges across the Strait. See: <https://www.ma19.org/>

¹³ "China's Xi hosts former Taiwan president in Beijing, in rare meeting echoing bygone era of warmer ties," CNN, April 10, 2024, <https://edition.cnn.com/2024/04/10/china/china-xi-meets-ma-taiwan-former-president-intl-hnk/index.html>

¹⁴ Huang Wei-ping, "Xi sings different tune in 2nd Ma meeting," *Taipei Times*, April 18, 2024, <https://www.taipetimes.com/News/taiwan>

¹⁵ "Inaugural Address of ROC 16th-Term President Lai Ching-Te," Office of the President of the Republic of China (Taiwan), May 20, 2024, <https://english.president.gov.tw/News/6726#>

Lai then vowed to further entrench Taiwan’s democracy, maintain peace in the Indo-Pacific, and boost global prosperity. He stated, “the future of cross-strait relations will have a decisive impact on the world. Our government will uphold the Four Commitments, neither yield nor provoke, and maintain the status quo.”¹⁶ Lai called on China “to cease its political and military intimidation against Taiwan, share with Taiwan the global responsibility of maintaining peace and stability in the Taiwan Strait as well as the greater region, and ensure the world is free from the fear of war.”¹⁷ In a friendly gesture to China, Lai also called upon China to resume formal cross-strait dialogues, and suggested starting with the resumption of tourism on a reciprocal basis and the enrollment of degree students in Taiwanese institutions.



TSMC Global R&D Center (Zeng Chengxun, Flickr)

¹⁶ Tsai mentioned the Four Commitments in her National Day speech in October 2021. She committed to maintain a free and democratic constitutional system, to cultivate a relationship between Taiwan and Beijing in which neither is subordinate to the other, to resist annexation or encroachment on Taiwan’s sovereignty, and to see Taiwan’s future decided in accordance with the will of the people of Taiwan, see: “President Tsai Delivers 2021 National Day Address,” Office of the President of the Republic of China (Taiwan), October 10, 2021, <https://english.president.gov.tw/News/617>

¹⁷ “Inaugural Address of ROC 16th-Term President Lai Ching-Te.”

Quite unexpectedly, however, although Lai suggested a resumption of exchanges, he referred to Taiwan as a “nation” and defined cross-strait relations by saying “the Republic of China and the People’s Republic of China are not subordinate to each other.” He also called upon “all of the people of Taiwan to come together to safeguard our nation; all our political parties ought to oppose annexation and protect sovereignty; and no one should entertain the idea of giving up our national sovereignty in exchange for political power.”¹⁸

Such a stance, though de facto true, is significantly different from that of his predecessors, including Tsai, who, while denying China’s “One Country, Two Systems”, had always cautiously referred to China and Taiwan as “two sides” of cross-strait relations instead of “two nations.”¹⁹

Lai’s remarks were received with mixed response in Taiwan and throughout the international community, most notably his strong stance on the issue of Taiwan’s sovereignty was well-received by those who support a stronger emphasis on Taiwan’s status as de facto sovereign and independent country, one that is neither a part of nor subordinate to China. US scholars Bonnie Glaser and Bonny Lin commented that Lai’s choice to emphasise Taiwan’s de facto sovereignty constitutes a firmer and bolder stance under China’s growing military, political, and economic pressure on Taiwan.²⁰

The opposition parties criticised Lai’s address for deviating from the Constitution of the Republic of China (ROC). Eric Chu, chairman of the KMT, expressed concerns about the future of cross-strait relations, accusing Lai of raising a new version of the “two-state theory” (新兩國論), first proposed by former President Lee Tung Hui in 1999, which defined the cross-strait relationship as a “special state-to-state relationship.”²¹

Ma Ying Jeou criticised Lai’s stance, arguing that it would cause cross-strait relations to deteriorate further. He called on Lai to return to the vision of a shared history, culture, and identity of ethnic Chinese origins. Ma argued that engaging in dialogue with the Mainland is the only way to create genuine opportunity for peace in the Taiwan Strait.

18 “Inaugural Address of ROC 16th-Term President Lai Ching-Te.”

19 The Act Governing Relations Between the People of the Taiwan Area and the Mainland Area regulates dealings between Taiwan and China and handles legal matters arising before national unification. Article 2 defines the terms of “Taiwan Area” and the “Mainland Area”. See “Inaugural Address of ROC 15th-Term President Tsai Ing-Wen,” Office of the President of the Republic of China (Taiwan), May 20, 2020, <https://english.president.gov.tw/NEWS/6004>

20 Bonnie S. Glaser and Bonny Lin, “The Looming Crisis in the Taiwan Strait,” *Foreign Affairs*, July 2, 2024, <https://www.foreignaffairs.com/taiwan/looming-crisis-taiwan-strait>.

21 See: Weixing Hu, “‘Two-State’ Theory versus One-China Principle: Cross-Strait Relations in 1999,” *China Review*, 2000, 135–56.

Chinese state-affiliated media heavily criticised Lai's address. The Chinese tabloid *Global Times* argued that Lai's address represented an explicitly pro-independent position of separatist rhetoric that crossed China's red line.²² Chinese media also criticised Lai for "licking US boots" and seeking to involve the United States and some European countries by "international[ising] the Taiwan question."²³ Wang Wenbin, spokesperson for the Chinese Ministry of Foreign Affairs, called independence a "dead end" and said: "No matter how the internal political situation in Taiwan changes, it will not change the historical and legal fact that both sides of the strait belong to one China ... the day of China's complete unification will come eventually."²⁴ The next day, Wang criticised US Secretary of State Antony Blinken for congratulating Lai on his inauguration, saying that it "sends a seriously wrong signal to 'Taiwan independence' separatist forces. China deplores and opposes it, and has made serious protests to the US."²⁵

Two days later, on 23 May, the PLA announced joint military drills, code-named "Joint Sword -2024A", surrounding Taiwan. The exercises were an immediate move to "punish the separatist acts of Taiwan independence forces and a stern warning against interference and provocation by external forces," per Wang Wenbin.²⁶ The PLA had already conducted several rounds of large-scale exercises after Nancy Pelosi visited Taiwan in August 2022, aiming to punish "Taiwan independence secessionists." However, this time the joint drills after Lai's inauguration were larger in scale and designed to challenge the notion of Taiwan's claimed territorial waters, constituting some of the strongest warnings by the PLA to date. During the Shangri-La Dialogue summit in Singapore in June 2024, Chinese Minister of Defense Dong Jun said that China "will take resolute actions to curb Taiwan independence and make sure such a plot never succeeds," and that those who support it would face "self-destruction."

22 Liu Xie and Ma Jingjing, "Mainland slams Lai in sending 'dangerous signal' in speech," *Global Times*, May 20, 2024, <https://www.globaltimes.cn/page/202405/1312678.shtml>

23 "Message to Lai: Licking U.S. Boots Won't Secure Its Real Support," *CGTN*, May 21, 2024, <https://news.cgtn.com/news/2024-05-21/Message-to-Lai-Licking-U-S-boots-won-t-secure-its-real-support-1tMP3z5ARBC/p.html>

24 See "Beijing warns Taiwan independence efforts are a 'dead end' as Lai Ching-te takes office", *AP*, May 20, 2024, <https://www.firstpost.com/world/beijing-warns-taiwan-independence-efforts-are-a-dead-end-as-lai-ching-te-takes-office-13772814.html>

25 "Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on May 21, 2024," Ministry of Foreign Affairs of the People's Republic of China, May 21, 2024, https://www.mfa.gov.cn/eng/xw/fyrbt/lxjzh/202405/t20240530_11347760.html

26 See also: Liu Xuanzun, Guo Yuandan and Fan Wei, "PLA holds joint drills surrounding Taiwan island to punish secessionist forces," *Global Times*, May 23, 2024, <https://www.globaltimes.cn/page/202405/1312852.shtml>

Chinese Reactions to Lai's National Day speech on 10 October 2024

Five months after his inauguration speech, President Lai delivered another two important speeches in a series of activities celebrating Taiwan's National Day on 10 October. On 5 October, Lai said "We are a sovereign country and we should love our country at all times," at a celebration at the Taipei Dome in Taipei City.²⁷ On 10 October, in a keynote national address Lai reiterated that the Republic of China and the People's Republic of China are "not subordinate to each other," and that "the People's Republic of China has no right to represent Taiwan." Lai added that he will "uphold the commitment to resist annexation or encroachment upon our sovereignty."

Lai's National Day speeches continue to highlight that the ROC is a sovereign country and the two sides of the Taiwan Strait are "not subordinate" to each other. Though Lai referred to the name 'ROC', instead of 'Taiwan' which he used in his inaugural address in May, he offered to work together with China in areas such as combating climate change. China has condemned Lai. China's Foreign Ministry spokesperson Mao Ning said that Lai's speech "again exposed his stubborn stance of Taiwan independence and sinister intention of increasing tensions in the Taiwan Strait to seek political gain."²⁸

In response to Lai's speech, the PLA conducted the "Joint Sword-2024B" drills around Taiwan on 14 October. Compared with the Joint Sword-2024A drills in May which lasted for two days, the recent drills last for thirteen hours, and were intense in terms of swift simulated attacks and deployment of ships and aircraft. The PLA claimed that part of the drills, called "key port blockade", aimed to prove China's ability to sever Taiwan's maritime lifeline for trade and imports of food and energy resources, especially at ports offloading liquefied natural gas.²⁹ The drill zones portrayed in a map issued by the PLA were closer to Taiwan, and included, for the first time, areas within Taiwan's 24 nautical mile (44.4 kilometers) contiguous zone. The China Coast Guard was also heavily involved in the drills, encircling the Taiwan-controlled Matsu islands near the Chinese coast and operating on both sides of Taiwan's mainland. It also showed the China Coast Guard's ability to board civilian ships on law enforcement grounds in times of conflicts.

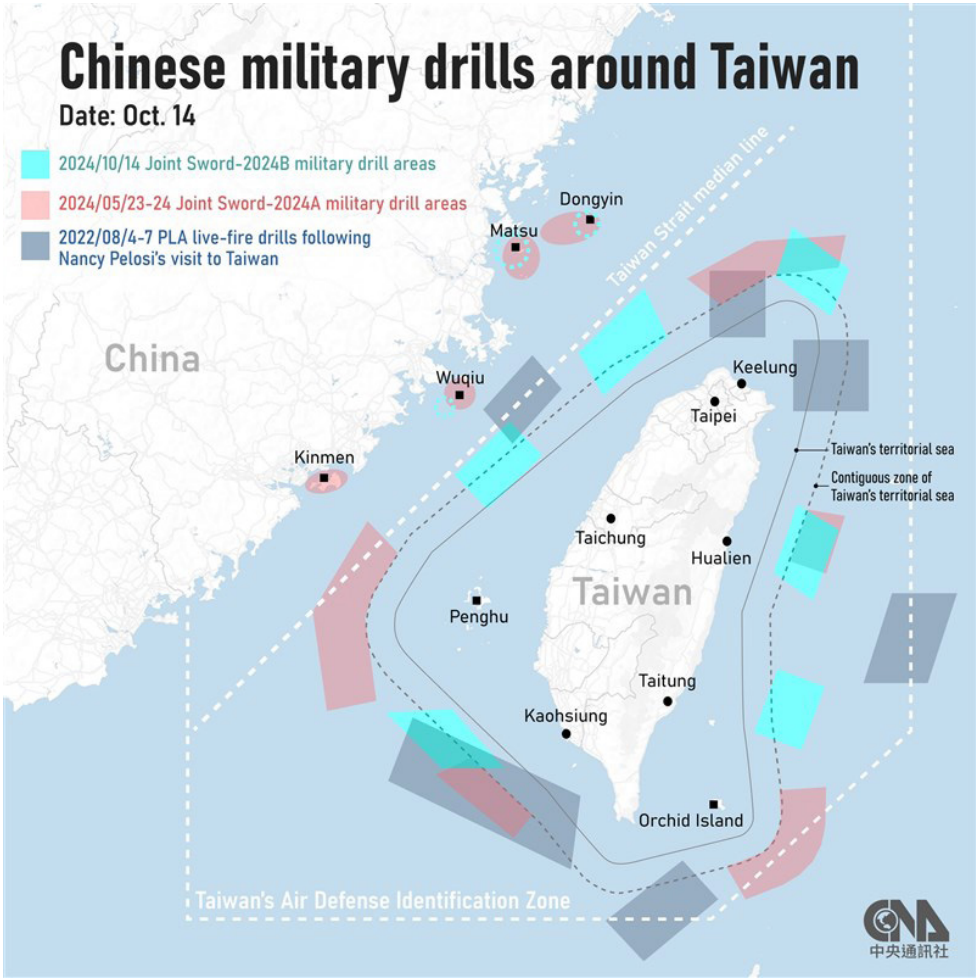
²⁷ Lai also said that the ROC is about to turn 113 years, the People's Republic of China (PRC) just reached 75 years on October 1. Therefore, "Based on its age, the PRC is not the motherland of people of the ROC," but "The ROC is the motherland of the people in the PRC who are 75 years old and over." See 'We are a sovereign country,' Lai says at National Day event', *Focus Taiwan*, October 5, 2024, <https://focustaiwan.tw/cross-strait/202410050011>

²⁸ "China can't represent Taiwan, and it should work with Taipei on global challenges, Lai says", *Reuters*, October 10, 2024, <https://www.nbcnews.com/news/world/china-cannot-represent-taiwan-work-taipei-global-challenges-lai-says-rcna174795>

²⁹ Ben Blanchard and Greg Torode, "China military drills shorter, but more intense", *Taiwan News*, October 16, 2024, <https://www.taipeitimes.com/News/taiwan/archives/2024/10/16/2003825381>

Shortly after announcing the completion of the drills, China's defence ministry issued a statement that the PLA's actions will be ramped up further with each 'Taiwan independence' provocation until the Taiwan issue is completely resolved.³⁰

The Taiwanese Defence Ministry said the drills involved 17 Chinese warships and 125 Chinese military aircraft - the most planes it had detected operating around Taiwan on any given day. It also noted that compared with the drills in August 2022 when China fired missiles over Taiwan, the drills in October were limited to avoid unduly inflaming the US election campaign.³¹



Source: CNA graphic/ Focus Taiwan

30 Yian Lee, "China's Military Warns It'll Slap Taiwan With Even More Pressure," *Bloomberg*, October 15, 2024, <https://www.bloomberg.com/news/articles/2024-10-15/china-s-military-warns-it-ll-slap-taiwan-with-even-more-pressure>

31 "China ends war games around Taiwan, but leaves door open to more", *Reuters*, October 16, 2024, <https://www.reuters.com/world/asia-pacific/china-starts-new-round-war-games-near-taiwan-2024-10-13/>

Taiwan's Changing Attitudes Towards China and the Unification Question

China has made clear its determination to pursue unification with Taiwan. Although China has repeatedly emphasised peaceful unification, its increasing military coercion and refusal to completely rule out the use of military force have impacted Taiwan's perception of cross-strait relations.

If Taiwan formally declares independence from China, it would give Beijing an immediate reason to take military action. Therefore, as long as Taiwan restrains from making such a formal declaration, an escalation to war in the Taiwan Strait will remain unlikely for the foreseeable future. Other reasons that could lead to China using force include a judgement on China's part that the prospects for peaceful unification have virtually disappeared, or a response to what it deems as foreign interference in Taiwan. For example, comments by US President Biden have raised concerns that China would respond with force if the United States were to encourage Taiwan's government to declare *de jure* or *de facto* independence.

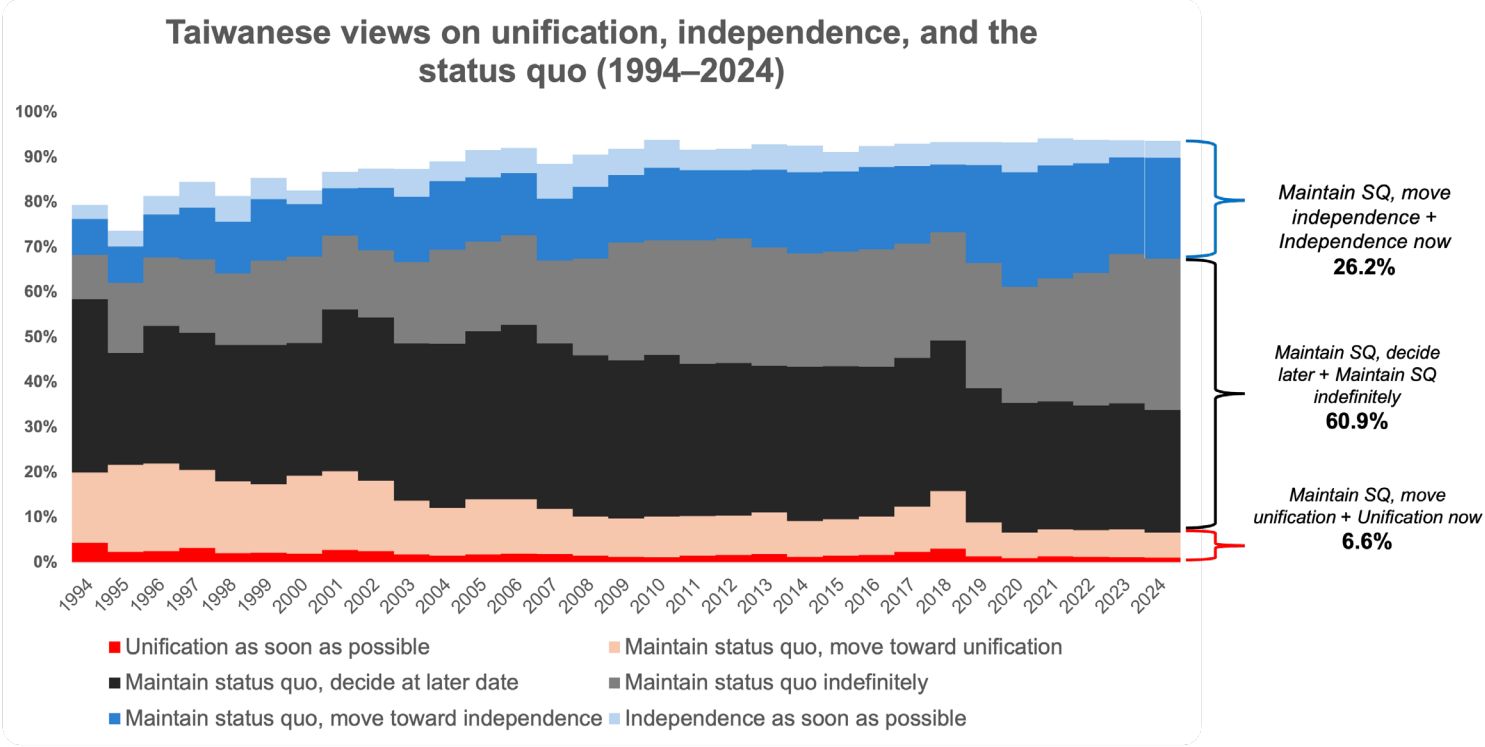
A public opinion survey released in June 2024 suggests changing attitudes in Taiwan towards the island's relationship with China.³² The survey, conducted by the Election Research Center (ERC) at the National Cheng Chi University (NCCU), revealed several important findings. It shows slowly declining support for the option "*maintaining status quo, move towards independence*" (22.4%) since 2020, when Tsai Ing-wen won her second term. The survey also shows the highest support for "*maintaining status quo indefinitely*" (33.6%) since the survey was first conducted in 1994. The divergence is notable, because in 2020, both options received equal support. Additionally, the survey finds the highest support for "*maintaining status quo and decide at later date*" (27.3%) since 1996, as well as the lowest support for "*unification as soon as possible*" (1.1%) since 1994. (See Figure 1)

The survey results indicate a gradually changing attitude among Taiwanese citizens towards their relationship with China. A striking majority of Taiwanese people support "*maintaining status quo*" (82.4%), while those who support "*independence as soon as possible*" have declined to the lowest level since 2002 (3.8%). In Tsai's second term (2020-2024), a period when tensions across the Strait escalated, the support for independence declined while the support for "*maintain the status quo indefinitely*" increased.

The survey results suggest that the Taiwanese public is becoming less supportive of independence despite increasing negative views of China. Such results should send a message to Beijing that it need not worry about "Taiwanese people

³² The survey on Taiwanese views on unification and independence has been conducted by the Election Study Center at the National Chengchi University (NCCU) since 1994. See ESC, NCCU, <https://esc.nccu.edu.tw/PageDoc/Detail?fid=7805&id=6962>

moving away from the Mainland” (相背而行). The gradual change of Taiwanese attitudes since 2020 reflects a desire to prioritise stability over independence.



Source: Election Research Center (ERC), National Cheng Chi University (NCCU). None responses not shown.

Implications for Global Geopolitics, Supply Chains, and the Silicon Shield

The Taiwan issue lies at the core of US-China relations. The future of cross-strait relations will have a huge impact on peace and stability in the Asia-Pacific and the world. In the past two decades, when US-China relations were smooth, cross-strait relations usually moved in a positive direction. When the US-China relations turned less stable, cross-strait relations also became difficult. As long as China believes that the United States is supporting Taiwan's independence, China will inevitably stand ready to react strongly. For example, when the Trump administration proposed and enforced favorable acts towards Taiwan under the US's Taiwan Relations Act, China found excuses to punish and threaten Taiwan.

The Biden administration seems to be supportive of Lai after he was inaugurated. However, as argued by some US scholars, China's escalation after Lai's speech has complicated the Biden administration's ability to preserve peace and stability across the Taiwan Strait. China will also continue to be suspicious that the United States supports Lai's aspirations for Taiwanese independence. If cross-strait tensions continue to worsen, China could adopt a more aggressive approach toward both Lai and the United States. Deteriorating cross-strait dynamics could also encourage Beijing to bolster support for Russia's war effort in Ukraine, further interlinking the Asia-Pacific and European theaters.³³

Since China intensified its military threats towards Taiwan after Pelosi's visit in 2022, ASEAN states have grown increasingly concerned about such developments, and have urged both sides to de-escalate the tensions. Immediately after Pelosi's visit, ASEAN states issued a Foreign Ministers' Statement expressing their concerns and calling for "maximum restraint." ASEAN also expressed its willingness "to play a constructive role in facilitating peaceful dialogue between all parties."³⁴

ASEAN states fully understand that they will not be insulated from any damaging consequences arising from a conflict in the Taiwan Strait due to its close geographical location and economic relations with both China and Taiwan. Most ASEAN states have a significant stake in the Taiwan Strait, not only because China is their largest export market or import source, but also because of people exchanges, trade, and investment activities with Taiwan. For example, according to statistics from Taiwan's Ministry of Labor and Ministry of Education in 2023, the total number of Southeast Asian workers, professionals, and students in Taiwan

33 Bonnie S. Glaser and Bonny Lin, "The Looming Crisis in the Taiwan Strait," *Foreign Affairs*, July 2, 2024, <https://www.foreignaffairs.com/taiwan/looming-crisis-taiwan-strait>

34 See ASEAN Secretariat, "ASEAN Foreign Ministers' Statement on The Cross Strait Development," August 3 2022, <https://asean.org/asean-foreign-ministers-statement-on-the-cross-strait-development/>

exceeded one million. A military conflict or even just blockades would impact these people's work and education in Taiwan.³⁵ Although no surveys exist of this foreign population's attitudes towards the independence question, these migrant workers and their respective governments constitute stakeholders in the issue, and it would be reasonable to assume that this population is supportive of peace by maintaining an indefinite status quo across the Strait.

Supply chain crisis and the “Taiwan + 1 Strategy”

Taiwan produces and exports semiconductors, electronic components, automotive parts, and machine tools to ASEAN countries for manufacturing. After Pelosi's visit in Taiwan in August 2022 and China's extensive military drills in the Taiwan Strait, fears of supply chain disruption have emerged among Taiwan's trade partners, including ASEAN states, Japan, and Europe. Although an immediate military invasion by China is unlikely in the near future, a soft blockade or quarantine of Taiwan could more easily be conducted and block delivery of goods from Taiwan. If Taiwan is forced to disrupt production or experiences delays in supplying these critical goods, the disruption would cause significant damage to production output, exports, and employment.

An increasing number of companies have urged their suppliers or contract manufacturers in Taiwan to consider a “Taiwan + 1” strategy to extend supply chains outside Taiwan for risk diversification. For example, the United States has pushed Taiwan Semiconductor Manufacturing Company (TSMC) to construct a large new facility in Arizona. Taiwanese companies have also gradually expanded their investment in Southeast Asia as promoted by the New Southbound Policy (NSP) adopted during the Tsai administration. However, it is not likely that such investments will accumulate to comprehensive supply chains in Southeast Asia in the next decade. If factories in Taiwan fail to operate or export, the factories in Vietnam, Thailand, or Malaysia cannot replace those in Taiwan in a short period of time.

The false debate of the Silicon Shield

A particular aspect of supply chain disruption that has received much attention is Taiwan's leading role as a semiconductor manufacturer. Taiwan is home to the world's most comprehensive semiconductor ecosystem, producing more than 70 percent of the world's chips and more than 90 percent of the most advanced chips. Craig Addison suggested in 2001 that Taiwan's then-emerging dominance in computer technology could create a “Silicon Shield” to protect Taiwan from

³⁵ According to statistics of the Taiwanese Ministry of Labor, as of August 2023, there were around 750,000 foreign workers on the island, from four ASEAN states, including 264,391 from Indonesia, 260,778 from Vietnam, 152,124 from the Philippines, and 68,400 from Thailand. Taiwan currently ranks the largest or second largest receiving country for overseas workers from Indonesia, Vietnam, Philippines, and Thailand.

Chinese aggression.³⁶ More recently, former President Tsai made a reference to the concept in a 2021 *Foreign Affairs* article.³⁷ Mark Liu, former Chairman of TSMC, the world's largest manufacturer of semiconductors, has argued that: "the world all needs Taiwan's high-tech industry support. So, they will not let the war happen in this region because it goes against interest of every country in the world."³⁸ In addition, President Lai has claimed that Taiwan supports peace and therefore is not likely to officially declare independence, which would give China an immediate excuse to attack Taiwan.

In essence, the argument for the Silicon Shield is that the world's dependency on Taiwanese technology, especially semiconductors, could serve as a strong deterrent to China, in no small part because China also needs Taiwanese semiconductors. China's attempts to seize control of the island and the industry would threaten the strategic interests of major industrial powers around the world and create international backlash. According to a report by the Center for Strategic and International Studies, any conflict in and around Taiwan would entail major financial, economic, diplomatic, and reputational costs for Beijing. Even if Beijing 'won' a military victory, its economic and diplomatic position would likely be substantially worse off due to economic sanctions by the United States and its allies, and the resulting impact on its financial markets and the RMB exchange rate.³⁹

Some have drawn the opposite conclusion. By controlling TSMC and the Taiwanese technological industry, China would be able to secure access to semiconductor technology that is more advanced than what it can currently produce by itself. To preempt that outcome, some US observers have even suggested preemptively bombing TSMC's facilities in the event of a Chinese invasion.⁴⁰

However, the focus on the Silicon Shield is somewhat misplaced. To the extent that it does work, the international community is not going to sit idly by and accept the threat to its high-tech supply chains. Already, many states are seeking to diversify their sources of semi-conductors, either through the Taiwan + 1 strategy, or by building up their own capacity. For example, the UK's national semiconductor strategy emphasises both its overreliance on Taiwan as well as

36 Craig Addison, *Silicon Shield: Taiwan's Protection Against Chinese Attack* (Fusion Press, 2001).

37 Tsai Ing-wen, "Taiwan and the Fight for Democracy," *Foreign Affairs*, October 5, 2021, <https://www.foreignaffairs.com/articles/taiwan/taiwan-and-fight-democracy-tsai-ing-wen>

38 Joyce Huang, "Can Taiwan's Silicon Shield Protect It against China's Aggression?," *Voice of America*, May 10, 2021, <https://www.voanews.com/a/east-asia-pacific-can-taiwans-silicon-shield-protect-it-against-chinas-aggression/6205660.html>

39 See Jude Blanchette and Gerard DiPippo, "Reunification" with Taiwan through Force Would Be a Pyrrhic Victory for China," CSIS, November 22, 2022, <https://www.csis.org/analysis/reunification-taiwan-through-force-would-be-pyrrhic-victory-china>

40 Jason Willick, "Blow up the Microchips? What a Taiwan Spat Says about U.S. Strategy.," *Washington Post*, May 12, 2023, <https://www.washingtonpost.com/opinions/2023/05/12/microchips-us-taiwan-strategy/>

the need to “take action to ensure that supply is diversified and more resilient.”⁴¹ China, for its part, is seeking to become less reliant on Taiwan, and more self-reliant in semiconductor production as well. If the Silicon Shield ever protected Taiwan, such measures by friend and foe alike, are likely to weaken it.

As international supply chains shift and the security situation around Taiwan develops, the ‘Silicon Shield’ may not protect Taiwan from a Chinese attack. Moving forward, the focus must lie instead on self-restraint and constructive dialogue to ease tensions across the Taiwan Strait and maintain the status quo. Some recommendations towards this objective are provided in the next section.

41 “National Semiconductor Strategy,” Department for Science, Innovation & Technology, May 19, 2023, <https://www.gov.uk/government/publications/national-semiconductor-strategy/national-semiconductor-strategy>

Conclusions and Recommendations

Cross-strait tensions have escalated in the past few years due to worsening US-China relations. The increased military threat after Pelosi's visit to Taiwan has further heightened tensions across the Strait. The Xi-Biden meeting in San Francisco in November 2023, followed by the second Ma-Xi meeting in Beijing in March 2024, could have contributed to de-escalating both tensions between the US and China and across the Taiwan Strait. However, China considered Lai's inaugural address a "deviation of 1992 Consensus and One China principle," and has decided to intensify political, military, and economic sanctions against Taiwan.

Lai's choice to clearly define Taiwan as a de facto independent and sovereign country implies that China will not likely cease its military exercises or gray zone warfare actions in the Taiwan Strait. China will also continue to increase pressure on Taiwan's international space, such as its bid to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and to impose economic sanctions on Taiwan. To what extent China will escalate its actions and how Lai will respond to calm the situation will be closely observed by the whole world. If the US-China relations improve in the next few months, Taiwan may be encouraged to improve its relations with China as well. However, given the US election in November, US-China relations are more unpredictable than ever.

■ **Resume cross-strait dialogues to avoid escalating tensions in the Taiwan Strait**

Self-restraint and dialogues are always useful in times of crisis. In order to de-escalate the situation following Lai's inauguration, both China and Taiwan, as well as other related parties, need to exercise self-restraint and strive to re-engage in communications and dialogues across the Strait. Taipei and Beijing should both send positive signals to resume dialogues, potentially starting with the resumption of tourism or the exchange of degree students. The United States can play an important role in encouraging such dialogues while reassuring both parties that it has no intention of unilaterally forcing a change in the status quo. In the past, Singapore and South Korea have played intermediary roles by facilitating cross-strait dialogues.⁴² These countries may consider creating a platform for such conversations and encouraging self-restraint between the two sides.

⁴² Singapore hosted the historic Ma-Xi Meeting on 7 November, 2005, the first meeting between current political leaders across the Strait since 1949. South Korea helped facilitate negotiations between China, Taiwan and Hong Kong to participate in the Asia-Pacific Economic Community (APEC) in 1991.

■ **Ensure correct understanding of Taiwanese support for the status quo and lowest interest in independence, and explore an innovative theory to replace the 1992 consensus**

The Taiwan issue has been complex and evolving over the past decades, particularly after Pelosi's visit in 2022. However, China should clearly understand recent survey results in Taiwan, which demonstrates that a majority of people are not supportive of immediate independence. Based on such low interest in seeking independence, both sides may consider exploring how to shape the approach to maintaining a "permanent status quo" or other options for cross-strait relations.

The 1992 Consensus advocated by China was an agreement between China and then-ruling party KMT government in the 1990s. It has lost its appeal over the years, as an increasingly assertive China and its broken promise of "One Country, Two System" for Hong Kong have torn apart people's expectations for unification. On the other hand, the majority of people in Taiwan supporting the status quo also show little interests in pursuing independence at present. In this context, China needs to better understand the evolving sentiment in Taiwan, particularly the rejection of independence.

Taiwan needs to seek consensus on a common stance regarding China and cross-strait relations. The different stances toward and expectations of the relationship with China have divided Taiwanese society and provided China with space to practice its "divide and conquer" tactics to sow discord in Taiwan. The new majority Legislative Yuan should set up a special committee to review these domestic disputes and host policy debates aimed at gradually finding a consensus on how to maintain the status quo, reflecting the will of the Taiwanese people. Such an initiative could also serve to temper any tendencies of the executive branch to challenge the status quo.

Finally, it might be worthwhile for scholars to survey the population of the one million Southeast Asian nationals – migrant workers, foreign spouses, and international students – in Taiwan to understand their views on the issue of independence, status quo, and unification. Understanding these attitudes would serve to underscore the stake that ASEAN countries have in ensuring peace and stability in the Taiwan Strait.

■ **Increase joint efforts to deter Chinese use of force and assist Taiwan's meaningful international participation**

In recent years, peace in the Taiwan Strait has become an integral part of the agenda of the QUAD, G7, OECD, EU, and other leaders' summits when discussions centred around peace and stability in Asia-Pacific and global supply chain resiliency. In Asia, ASEAN issued a Joint Declaration immediately after China launched military drills during Pelosi's visit to call for "self-restraints from all parties." China has consistently reiterated that Taiwan's independence and external interference constitute red lines that China is prepared to

defend by force if necessary. As it is not likely that Taiwan will pursue formal independence in the near future, countries should work to deter China from conducting a military invasion of Taiwan by highlighting the extremely high costs of unilaterally changing the status quo.

As Lai mentioned in his inaugural address, Taiwan has grown to become one of the world's most vibrant democracies and is recognised as a global beacon. However, Taiwan's agency and ability to contribute positively to regional and international stability is heavily constrained due to its inability to join international organisations and forge trade or other forms of agreements with major trading partners or like-minded countries. For example, Taiwan's efforts to join the World Health Assembly or World Health Organization are boycotted, leaving it excluded from the global health system and unable to share its experiences in combatting COVID-19 in early 2020. Another example is Taiwan's participation in the Asia-Pacific Economic Cooperation (APEC): despite being a member since 1991, its political leaders and foreign ministers are barred from attending the APEC Economic Leaders' Meeting (AELM) and the Annual Ministerial Meetings (AMM).⁴³ Taiwan is also denied participation in regional or global economic integration, such as the CPTPP, despite Taiwan being a World Trade Organization (WTO) member. China has continued to oppose Taiwan's bid and has threatened CPTPP members not to violate its One China policy.⁴⁴

Increased participation in the international space would not only grant Taiwan equal rights to discuss important issues and protect its national interests, but also allow Taiwan to contribute more to the international community. Countries and international organisations that share common interests with Taiwan should assist its efforts to join health or economic organisations and mechanisms. CPTPP members should resist political interference in assessing new members' applications.

The recommendations provided here are rooted in the Taiwanese public's desire to maintain the status quo, and this objective should be the utmost priority for all stakeholders in the Taiwan Strait. As this report has illustrated, peace and stability in the Taiwan Strait is not merely an issue between Taiwan and the Mainland, or even between the two sides and the United States. Peace and stability in the Taiwan Strait are matters of regional and global importance.

43 APEC has twenty-one member economies. Taiwan participated in the APEC in 1991 under the name of Chinese Taipei, the status and seniority of officials attending the APEC meetings was limited. For example, Dr. Morris Chang, the founder of the TSMC, represented President Tsai Ing Wen at the AELM during her presidency. The Ministry of Foreign Affairs also designated director-level officials to attend the Ministerial Meeting of the AMM. See APEC Introduction, MOFA, Taiwan, <https://subsite.mofa.gov.tw/enigo/cp.aspx?n=6155>

44 See: China blasts Taiwan's bid to join CPTPP trade pact, *Nikkei Asia*, September 23, 2021, <https://subsite.mofa.gov.tw/enigo/cp.aspx?n=6155>

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