FIIA
BRIEFING PAPER

FEBRUARY 2018 / 232

TAIWAN'S ROLE IN EAST ASIAN SECURITY

OVERLOOKED ACTOR IN A PIVOTAL POSITION

Jyrki Kallio

FIIA
FINNISH
INSTITUTE
OF INTERNATIONAL
AFFAIRS

TAIWAN'S ROLE IN EAST ASIAN SECURITY: OVERLOOKED ACTOR IN A PIVOTAL POSITION

- Taiwan is party to the same territorial disputes in the South China Sea and East China Sea as China, and the claims of the two are practically equal. China considers Taiwan's involvement as support for its own claims, as well as a symbol of Taiwan's adherence to the One China principle.
- The recent switch in Taiwan's ruling party may lead to fundamental changes in Taiwan's position. Taiwan could be downplaying the historical claims, and focus on factual jurisdiction. If the Democratic Progressive Party remains in power after 2020, it is possible that Taiwan will discard some or all of its claims in the South China Sea.
- These changes are part of the process of "normalizing" Taiwan as a state actor by cutting the historical ties to China. This is not regarded in positive terms by China, but by proceeding in gradual steps Taiwan may avoid hostile reactions.
- Showing support for this process is the most tenable way for the international community to promote peace and stability in the region. Further sidelining Taiwan would amount to giving China a free hand and increase the risk of a military conflict.

JYRKI KALLIO

Senior Research Fellow

Finnish Institute of International Affairs

ISBN 978-951-769-555-8
ISSN 1795-8059
Language editing: Lynn Nikkanen.
Cover photo: Flickr/Office of the President, Republic of China (Taiwan)
Used under the Creative Commons license.

The author would like to thank the ROC Foreign Ministry and the Taipei Representative Office in Helsinki for providing a travel grant for conducting interviews in Taiwan for the purposes of this paper.

FIIA FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

Arkadiankatu 23 b
POB 425 / 00101 Helsinki
Telephone +358 (0)9 432 7000
Fax +358 (0)9 432 7799

www.fiia.fi

TAIWAN'S ROLE IN EAST ASIAN SECURITY: OVERLOOKED ACTOR IN A PIVOTAL POSITION

INTRODUCTION

Taiwan's position in East Asian security is highly complex. Its statehood is not recognized by any state in East Asia, and therefore it is sidelined in all regional security institutions. At the same time, China insists on maintaining the military option for reunification, and there is strong and explicit US interest in Taiwan's security. The recent expansion of the US–Japanese security alliance to "surrounding areas" makes Taiwan one of the potential hotspots for great-power conflicts. Taiwan's military importance has increased since 2013 when the Chinese Navy started using the Bashi Channel, south of Taiwan and north of the Philippines, as its main access route to the Pacific. It previously used the Miyako Strait, north of Taiwan and south of Okinawa, where the USA has greater presence. Furthermore, Taiwan maintains the same territorial demands in both the East China Sea and South China Sea as China, but this seldom gets so much as a mention when discussing the disputes in those regions.

This paper discusses the current state of affairs regarding Taiwan's role in East Asian security politics, especially with regard to the territorial disputes in the South China Sea and East China Sea. In recent years, differences with regard to the justification for the claims have also emerged, with Taiwan indicating potential willingness to adhere to the United Nations Law of the Seas (UNCLOS) principles at the expense of traditional claims mostly based on historical rights. In addition, the change in the ruling party in Taiwan, which last occurred in 2016, may be leading to fundamental changes in Taiwan's position. The Kuomintang (KMT) governments, which ruled Taiwan until 2000, and again in 2008–2016, have protected the symbols of "One China", including the territorial claims, whereas the Democratic Progressive Party (DPP) has its roots in the Taiwanese democratization and independence movement and views the territorial claims primarily as a burden.

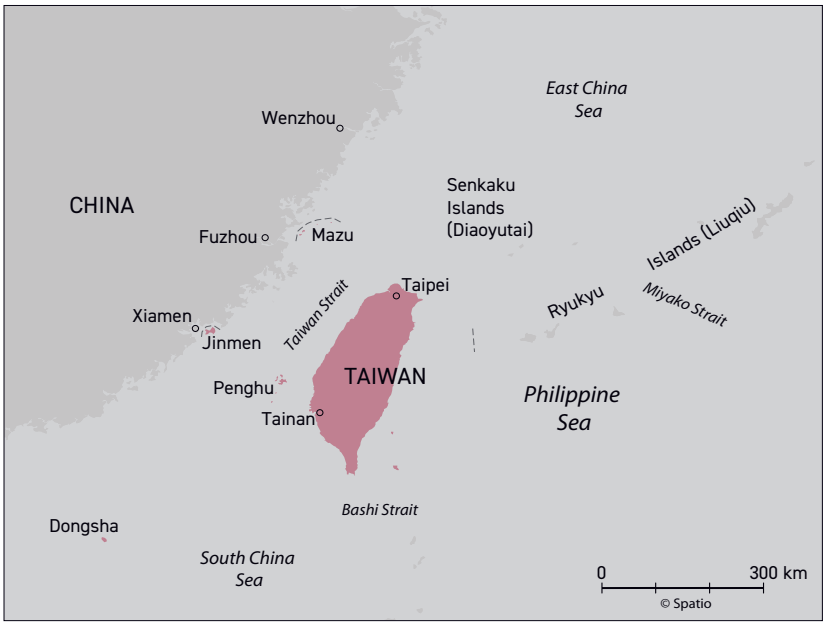
In this paper, "Taiwan" is used as a generic name referring to the territories which are currently under the actual control of the Republic of China on Taiwan, as well as its government. Where needed for clarity, the term "Republic of China" (ROC) is used, instead of Taiwan. This choice of nomenclature does not point to taking sides in the so-called Taiwan Issue, referring to the division of China into two polities since 1949, but nor does it deny the factual existence of two Chinese governments. Correspondingly, "China" is used to refer both to the territories under the actual control of the People's Republic of China (PRC), as well as its government, and a larger historical-geographical-cultural entity which may or may not include Taiwan, depending on the interpretation.

THE ALL-IMPORTANT BACKGROUND FACTOR: THE TAIWAN ISSUE

The Taiwan Issue cannot be disregarded when looking at Taiwan's role in East Asian security. The PRC's policy is embedded in the One China principle, which means that Taiwan is to be considered an inalienable part of China and that reunification is the only acceptable outcome of the Taiwan Issue. Since 1979, China has maintained that the goal is peaceful reunification under the "one country, two systems" model. However, the military option is explicitly maintained as a last resort. Therefore, a military conflict between Taiwan and China is a real possibility. Such a conflict could also involve the USA. While the Mutual Defence Treaty between the USA and Taiwan was abrogated in 1979 when the USA recognized the PRC instead of the ROC, the USA is required to help Taiwan to maintain a sufficient self-defence capability, according to the Taiwan Relations Act. The Act also states that any efforts to determine the status of Taiwan by other than peaceful means endangers US interests.

China requires other countries that have diplomatic relations with it to abide by the One China policy. What this means is that any country that recognizes the PRC must break official relations with the ROC. As a result, Taiwan as the Republic of China is recognized by only 20 states, most of which are in Latin America. From the US viewpoint, the One China policy does not mean that the USA explicitly recognizes Taiwan as a part of China. On the contrary, the USA has stressed on various occasions that the future of Taiwan should be decided by the Taiwanese people. The EU similarly recognizes the government of the PRC as the sole legal government of China. At the same time, it insists that

The territory of Taiwan



Map 1. The territory of the Republic of China on Taiwan (excl. Taiping Island and Zhongzhou Reef)

any arrangement between the two sides of the Taiwan Strait can only be achieved on a mutually acceptable basis, "with reference also to the wishes of the Taiwanese population".[1]

While the military option is the last resort, it is not that remote. If Taiwan does anything to endanger the One China principle from the Chinese perspective, China might feel compelled to act. The reunification is unquestionably a part of the realization of the Chinese Dream, or the "great rejuvenation of the Chinese nation", and while that goal has been set for 2049, which is still three decades away, the fact is that a military solution is the only option available for resolving the Taiwan Issue in the short term. Some voices in China are calling for action sooner rather than later, through fear of the possibly growing US presence in East Asia in the future, and because of the concern that the Taiwanese identity is seemingly becoming more and more anti-Chinese.

THE DEFINITION OF TAIWAN AND ITS TERRITORY

The Taiwan Issue manifests itself even with regard to the definition of the territory of the current polity of Taiwan. This in turn has major implications for the territorial disputes in the East and South China Seas. In addition to the Taiwanese main island, the ROC is in factual control of Penghu, Jinmen and Mazu in the Taiwan Strait, and Dongsha, Taiping and Zhongzhou in the South China Sea (see Map 1). The views in the debate range from claiming all of Mainland China, which is the position enshrined in the ROC Constitution, to regarding only the Taiwanese main island and Penghu as parts of the territory, which is a view supported by many independence activists. The ROC Constitution also makes reference to Mongolia, but its independence was recognized de facto in 2002. Moreover, the claims of sovereignty over the Mainland were relinquished even earlier in practice.

The ROC also has a peculiar relationship with the Ryukyu (*Liuqiu* in Chinese) Islands, and maintains representation in Naha, Okinawa, as if the Ryukyu Islands were an independent state. The "Sino-Ryukyuan Cultural and Economic Association, Ryukyu Office" falls directly under the ROC Foreign Ministry and not

1 European Union External Action Service: "Taiwan and the EU", 17 May 2016. https://eeas.europa.eu/delegations/taiwan_en/2000/Taiwan%20and%20the%20EU, accessed 9 February 2018.

the Representative Office in Tokyo. This is a remnant of the historical fact that the Kingdom of Ryukyu was a tributary state of China until being annexed by Japan in 1879. The DPP has been critical of government funding for the Sino-Ryukyuan Cultural and Economic Association.[2]

The curious arrangement is also related to the dispute over the Senkaku Islands (known as *Diaoyutai* in Taiwan). The islands are located between Taiwan and the former Kingdom of Ryukyu, and it can be argued that, historically, they were under the jurisdiction of one or the other. This argument can be used to counter Japan's claim over the Senkaku Islands, especially if one questions Japan's right over the Ryukyu Islands at the same time.

With regard to the independence movement's policies, the basis is the understanding that "Taiwan" only consists of those territories which the Qing Empire ceded to Japan in the Treaty of Shimonoseki (1895), namely the main island and Penghu. The same areas are also mentioned in the Treaty of San Francisco (1951) in which Japan renounced its sovereignty over Taiwan. This means that all the other areas currently controlled by the ROC, namely Jinmen, Mazu, Dongsha, Taiping and Zhongzhou, are not considered part of Taiwan by the independence advocates. In addition, they do not consider the territorial claims in the South China Sea and the East China Sea to be a concern of a future independent Taiwan.

The DPP shares the same roots as the independence movement, but in 2001 officially distanced itself from the more radical views and declared that Taiwan does not need to seek independence, since the Republic of China on Taiwan is already an independent country.[3] It thus considers the territory of Taiwan the same as that under the ROC's factual control. However, voices from the KMT are questioning President Tsai Ing-wen's commitment to the territorial status quo, expressing fears that she might join the independence activists. These voices should probably be regarded as political smear campaigning, at least in regard to Jinmen and Mazu.

The island groups of Jinmen and Mazu are located just within 10 nautical miles from the coast of Fujian, 100 nautical miles from Taiwan. They are the most concrete reminder that there is just one China with no border line clearly separating Taiwan from the Mainland. The Communist forces didn't try to conquer them and nor did the KMT forces surrender them. What is more, the Mutual Defence Treaty between the USA and the ROC did not cover them. Today, Jinmen and Mazu have a combined population of 140,000. It is therefore unthinkable that a future independent Taiwan could leave the people on those islands to their own devices. Evacuating the islands would be an equally unrealistic option.

THE SOUTH CHINA SEA AND THE U-SHAPED LINE

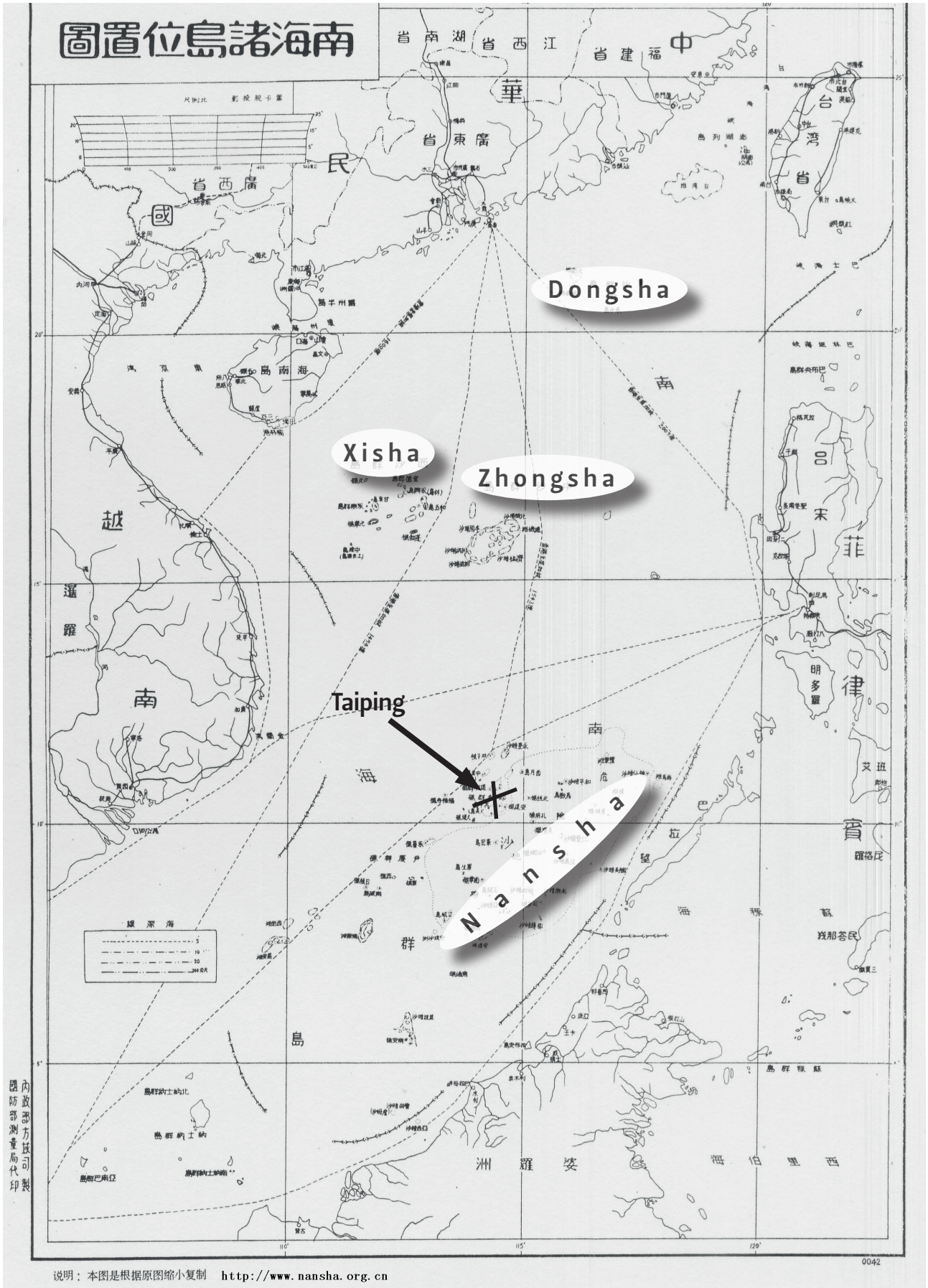
Due to the historical legacies described above, Taiwan is party to the territorial disputes in the South China Sea and East China Sea. Chinese claims predate 1949, and hence the governments of both the People's Republic of China and the Republic of China maintain them. The so-called U line, which shows the extent of China's territorial claims in the South China Sea – a nine- or eleven-dash line drawn in the shape of a cow's tongue, almost touching the coastlines of the other littoral states – dates from 1947, the era before the PRC (see Map 2). Consequently, the U line is drawn on maps in both China and Taiwan.

While the claims of China and Taiwan are practically identical, both occupy different land features in the South China Sea. Taiwan is in control of the Dongsha (also known as the Pratas Islands), the largest land feature of the Spratlys, namely Taiping (also known as Itu Aba), as well as a smaller reef in its vicinity, Zhongzhou. The KMT actually maintains that the territorial claims of the ROC are stronger than those of the PRC historically, since the former has maintained control over Taiping Island since 1946.

From the KMT's point of view, upholding the territorial claims in the South China Sea is an important manifestation of the One China ideal. China regards Taiwan's withholding of the claims as serving its own claims, and as a symbol of commitment to the One China principle. From the US perspective, Taiwan's presence in the Dongsha and Taiping islands prevents China from occupying them. The KMT has been maintaining a careful balance between China and the USA, trying to be neither too close to China nor provoke it. It even considers the claims – or rather, the theoretical threat of relinquishing the claims – as bargaining chips towards China and the USA.

2 "Zhong-Liu Wen-Jing Xiehui 1 nian jin 200 wan buzhu re yi, liwei ti'an quan shan." *Liberty Times Net*, 29 Nov. 2017. http://news.ltn.com.tw/news/politics/breakingnews/2267832, accessed 12 February 2018.

3 Mattlin; Mikael. 2011. *Politicized Society. The Long Shadow of Taiwan's One-Party Legacy*. NIAS Press, Copenhagen: 155.



Map 2: The South China Sea. The map by the Ministry of the Interior, Republic of China, shows the original U-shaped line from 1947.

Source: Wikimedia Commons/Republic of China. Graph: FIIA.

TAIWAN'S CHANGING SOUTH CHINA SEA POLICY

Compared to China, Taiwan has maintained a deliberately low profile in recent decades, and has usually refrained from taking actions which could be seen as provocative by the other claimants. This is demonstrated by the fact that in 2000, the responsibility for protecting the ROC sovereignty in Taiping was shifted from the Navy to the Coast Guard. Officially, its focus is on nature protection and law enforcement. The Ministry of Defence is said to be happy about the change, which relieved the Navy and the Ministry itself from being on the frontline of the territorial dispute.

In consequence, the relations between Taiwan and the other claimants have been rather neutral. The other claimants' view on Taiwan's role in the South China Sea could even have been labelled positive. Taiwan's presence and involvement lessens China's dominance. This also serves US interests. Taiwan can even be regarded as a provider of public goods in the form of security through its military presence.

The policy of keeping a low profile began to change in the 2000s. The first DPP president, Chen Shui-bian (in office 2000–2008), visited Taiping in 2008. Earlier during his term, research and other activities, including the planting of the ROC flag, were conducted in Zhongzhou Reef, situated three nautical miles east of Taiping. KMT president, Ma Ying-jeou (in office 2008–2016), adopted a similarly assertive policy. In 2012, some legislators visited Zhongzhou Reef following an incident between Vietnamese and Taiwanese patrol boats in the vicinity of the reef. A new early-warning radar system purchased from the USA was installed on Taiping in 2016, serving primarily military needs.

The Philippines introduced a case against the PRC to The Hague's Permanent Court of Arbitration under UNCLOS in 2013. The issues to be decided included the legality of China's historical rights based on the U line, and the status of the land features in the Spratlys. Following this, Ma Ying-jeou's government stepped up efforts to raise Taiwan's profile as a claimant, and began strongly promoting the interpretation that Taiping is an island. As an island, it would have been entitled to territorial waters, a 200-seamile exclusive economic zone, and rights to the surrounding seabed.

In 2016, President Ma invited a group of foreign media representatives to Taiping to let them see for themselves that "Taiping Island is indeed an island, not a rock". The year marked the 70th anniversary of Taiping occupation by the ROC forces. The move indicated consideration for revising Taiwan's claims, and making them more readily defendable under the UNCLOS principles. However, the court of arbitration dismissed Taiwan completely as a party to the dispute, which clearly agitated the Ma government. The ruling, which stated that none of the land features in the South China Sea qualify as an island, was a major setback for Taiwan.

So far, the Democratic Progressive Party administration led by President Tsai Ing-wen, in office since 2016, has continued to raise objections to the ruling made in The Hague, supporting the former government's line. However, there are some differences between Tsai's own statements and those of the ROC Ministry of Foreign Affairs. While the latter has been repeating the stance that the South China Sea islands "are an inherent part of ROC territory",[4] when issuing her South China Sea policy in July 2016, Tsai stated more vaguely that Taiwan continues to uphold its rights over the South China Sea islands based on international law and the law of the seas. She went on to say that Taiping would be developed into a base for humanitarian aid and supplies.[5]

From the Kuomintang's viewpoint, Tsai is not defending the ROC's historical claims based on the U line. In contrast, many critics of the KMT would argue that, in the long term, the territorial claims and even the occupation of Taiping are a liability with few gains. In the words of one Taiwanese scholar, Taiping is an appendix. It has no natural resources, and it is too far away for developing tourism. Defending the island against an invasion is not realistic.

TAIWAN AND THE EAST CHINA SEA

In contrast to the "appendix" Taiping, the Senkaku Islands are extremely important for Taiwanese fishermen. Looking at the map, an outsider would think that out of the three claimants, China, Japan and Taiwan, the claim of the third must be the strongest due to the Senkakus' geographical proximity to Taiwan. China also agrees, by stating that Senkaku is part of the Province of Taiwan which, of course, is part of China. For a long time, China actually seemed to outsource defending Chinese sovereignty over Senkaku to Taiwan.

4 "ROC reaffirms South China Sea sovereignty". *Taiwan Today*, 7 Aug. 2017. https://taiwantoday.tw/news.php?unit=2,6,10,15,18&post=119597, accessed 12 February 2018.

5 "Zhaokai guo'an huiyi, Nanhai Zhengyi cai wu xiang zuofa. Cai Yingwen: Rang Taipingdao cheng rendao jiuyuan jidi." *Liberty Times Net*, 20 July 2016. http://news.ltn.com.tw/news/politics/paper/1012675, accessed 12 February 2018.

Only after the decision by the Japanese government in 2012 to nationalize the islands did China become more active.

Since then, the territorial dispute has become one between China and Japan, while Taiwan has been sidelined. On the one hand, this suits the ROC government in the sense that it does not want a conflict with Japan, an important ally. On the other hand, Taiwan is in danger of being permanently sidelined if the relations between Japan and China were to develop in a wholly positive manner.

Due to the importance of the fishing waters surrounding the Senkakus, it is in Taiwan's interests to keep the discussions open with Japan, despite the latter's reluctance to do so. A fishery agreement already exists between Taiwan and Japan dating back to 2013, agreed upon at a point in time when Japan had reason to worry that Taiwan might join forces with China over the dispute.[6]

TAIWAN GOING SOUTH ONCE MORE

According to analysts close to the KMT, the DPP's policies under Tsai Ing-wen can best be characterized as non-action. In regard to national security, the party is hiding behind the USA and Japan. Given the lack of a working dialogue with China, the DPP needs both Japan and the USA. Examples of the DPP's non-action policies include not protesting vocally against The Hague's ruling, not talking about the U line, and not doing anything which might irritate the USA.

Analysts believe that if the USA recommends that Taiwan should relinquish its territorial demands in the South China Sea, the DPP would be willing to do so, even though it contravenes the ROC Constitution. Currently, however, Taiwan's presence on Taiping seems to be in the US interests, and the DPP puts more emphasis on actual jurisdiction than the letter of the constitution. According to analysts, this means that Taiwan will stay on Taiping but might stop talking about the U line. From the point of view of China, this could be interpreted as compromising the One China principle. In the KMT-slanted analysis, this would have dire consequences for Taiwan. In short, in the KMT's view, the DPP is letting Taiwan drift into dangerous waters.

Where Tsai is leading her party and Taiwan remains a question mark. Before her election, she declared that as president she would follow a "New Go South Policy". This means that Taiwan aims to strengthen relations with the Southeast Asian countries. However, Tsai's Go South policy is already the third of its kind. Presidents Lee Teng-hui (in office 1988–2000) and Chen Shui-bian declared similar policies, and Ma Ying-jeou also wanted to improve economic relations with Southeast Asia. The results of the previous efforts were unremarkable because of China's growing economic dominance in the region. According to one analysis,[7] Tsai's policy is aimed at attracting goodwill towards Taiwan, which would not waver even in the long term, no matter what happens between Taiwan and China. In the light of this analysis, Tsai's "softness" in regard to the South China Sea makes sense.

CONCLUSIONS

China has always regarded the Democratic Progressive Party with suspicion, and has engaged in talks only with the Kuomintang, due to the latter's adherence to the "1992 Consensus", which refers to both sides agreeing that there is only one China. Arguably, a better choice for China would be to face the changing realities and concede to opening talks with Tsai Ing-wen. Currently, China is not willing to do so, due to Tsai's refusal to explicitly recognize the 1992 Consensus. If the DPP remains in power after 2020, it would make sense for China to switch its bets from the KMT to the DPP and start building rapprochement with the latter, in the hope that improving economic relations with China would diminish support for Taiwanese independence. By following the current line, China is only further alienating the Taiwanese, thereby increasing the risk of a military confrontation. While reunification remains China's goal, a war in the Taiwan Strait would cause a serious economic crisis in East Asia with global repercussions, and severely damage China's own interests related to growth and prosperity.

The next general election in Taiwan will take place in 2020. It is likely that the DPP and Tsai Ying-wen will concentrate on maintaining the status quo until then. To be seen as too radical or as jeopardizing the vital economic relations with China would put the party's victory in the next election at risk. However, in the

6 Kotani, Tetsuo. 2015. "The Japan-Taiwan Fishery Agreement: Strategic Success, Tactical Failure?" *Asia Maritime Transparency Initiative*, 20 Oct. 2015. https://amti.csis.org/the-japan-taiwan-fishery-agreement-strategic-success-tactical-failure/, accessed 12 February 2018.

7 Ngeow Chow Bing. 2017. "Taiwan's Go South Policy: *Déjà vu* All Over Again?" *Contemporary Southeast Asia*, Vol. 39, No. 1 (2017): 96–126.

long term, the DPP may have to alter its definition of Taiwan in order to have the support of the independence movement, making the KMT's fears come true. While it is unrealistic that Jinmen and Mazu could be discarded, renouncing the sovereignty over Taiping, Zhongzhou and even Dongsha are possible goals which the DPP may at some point in time be pressed to set. Setting such goals would mean changing the ROC constitution.

Changing the constitution is very difficult, however, and it is likely that the DPP government will first resort to taking small, practical steps instead. These steps could include omitting any mentions of the U line, downgrading the "embassy" in Okinawa, scaling down the presence in Taiping, and non-action regarding Zhongzhou. As long as there is no explicit renouncing of the One China principle, these actions would be small enough not to provoke a reaction from China. Nevertheless, they would gradually make Taiwan more like a "normal" state actor which is no longer burdened by the heritage of the ROC.

What needs to be followed by observers is the terminology used by Tsai's government about the South China Sea in the future. So far, it has been customary to speak of "the South China Sea Islands". This convention signifies a reference to the U line, which encompasses all four groups of reefs that both the ROC and PRC lay claim to (Dongsha, Nansha, Xisha, Zhongsha). In contrast, reference to only Dongsha and Taiping would indicate a readiness to abandon the U line.

While the USA probably hopes that Taiping will remain under Taiwanese control, the development towards Taiwan cutting the long-since withered umbilical cord to China would ultimately be in the interest of the international community. The support for reunification with China is steadily decreasing in Taiwan,[8] and the international community is committed to respecting the will of the Taiwanese people. Hence, the most tenable way of promoting peace and stability in the Taiwan Strait is to show support for the process towards "normalizing" Taiwan as just Taiwan, not the ROC on Taiwan. In contrast, further sidelining Taiwan would amount to giving China a free hand, which would increase the risk of a military conflict. /

8 "Public Opinion Strongly Approves the Policy Position of Cross-Strait Peace and Support Communication and Dialogue between the Two Sides without Preconditions." *MAC Press Release*, No. 77. Mainland Affairs Council, Republic of China (Taiwan), 3 Nov. 2017. https://www.mac.gov.tw/en/News_Content.aspx?n=2BA0753CBE348412&sms=E828F60C4AFBAF90&s=0435CE3D560B1064, accessed 12 Feb. 2018.