Democratic Taiwan in the Twenty-first Century

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Accessibility
Democratic Taiwan in the Twenty-first Century

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A Thesis in the Field of International Relations
for the Degree of Master of Liberal Arts in Extension Studies

Harvard University
May 2023
Abstract

This thesis frames the Taiwanese struggle to defend democracy in the face of growing aggression from the Chinese Communist Party (CCP). Despite past agreements between the United States and the People’s Republic of China, particularly the One China Policy that states clear support for Chinese reunification under the governance of the CCP, the U.S. maintains friendly and robust relations with the Taiwanese government. Washington actively supports the development of Taiwanese institutions and security infrastructure in addition to their status as a free, liberal democratic state.

Everyday Taiwan seeks robust ways to protect its democratic way of life, the U.S. has increasingly stepped in to support Taiwanese institutions and security infrastructure in manners far more robustly than years past. The U.S.’s foreign policy actively pursues the defense of self-determination rights for sovereign nation-states and works to uphold the established practices and norms of the modern, rules-based international order.

As China rises with consequential impact around the world, Taiwan’s democracy will face new challenges under the weight of the CCP’s illiberal rule. This will force the United States to shift and adapt policies in defense of democracy throughout East Asia. This thesis examines the historical record, considers past and current policy priorities, and identifies the drivers shaping this challenge in Indo-Pacific. The thesis highlights drivers behind an unprecedented security dilemma between the world’s two most powerful nation-states with Taiwan as a potential spark to light a great and unnecessary conflict.
Author’s Biographical Sketch

David Saul Acosta is a business development associate who works to create innovative products and technologically pertinent solutions for start-ups, entrepreneurs, and established public and private sector institutions in Miami-Dade County, Florida. He has a Bachelor of Arts degree in Political Science from the University of Miami and is currently pursuing an ALM degree in International Relations from the Harvard Extension School in Cambridge, Massachusetts. He currently serves on the Council of Student Sustainability Leaders at Harvard University and recently concluded a climate leadership fellowship from Nudge Impact in The Hague, Netherlands. In 2019, GreenBiz, one of the leading conveners of knowledge and innovation in the climate field, recognized David as an Emerging Leader for his work on Harvard University’s Climate Leaders Program for Professional Graduate Students. During his undergraduate studies, David interned for Congresswoman Ileana Ros-Lehtinen, former Chairwoman of the Foreign Affairs Committee in the U.S. House of Representatives, and completed an internship with U.S. Senator Bob Menendez of New Jersey, Chair of the Foreign Affairs Committee in the U.S. Senate, prior to his enrollment in the ALM Program. In 2021, David penned a speech on behalf of former UN Ambassador Kelly Craft for an international conference on global peace and security, and actively contributes his time and talents for numerous institutions operating in the international development sector.
Dedication

This thesis is dedicated to my mother, Maribel Acosta, for whom I owe every success. I also wouldn’t have been able to imagine completing a thesis without the tremendous example of Jose Antonio Chiclana, the late godfather of my two older siblings. His life’s experiences greatly shaped my imagination on what’s possible for immigrants in America. Without his influences in my life, it would be hard to imagine whether I would have enrolled at Harvard University for my graduate studies. I would also like to dedicate this thesis to my nephew, Matthew, and my nieces, Jasmine Rose and Ila Jade. The memories I have made with them over the years constantly remind me of the preciousness of time and the importance of not exhausting it on matters that serve no higher purpose.
Acknowledgements

This thesis would not have been possible without the aid, guidance, and inspiration of a many great people. I owe a tremendous amount of credit to Dr. Doug Bond, my Research Advisor, and my Thesis Director, Dr. Michael Miner, for their constant support throughout the thesis development and research process. I also wouldn’t have been able to fall in love with the field of international relations without the writings of Joseph S. Nye Jr, Henry Kissinger, and Jacob Helberg, to name a few. Their contributions to the field of international relations, and the fundamental understandings they possess on instruments of U.S. power in the modern international system, greatly informs my understanding of the world and the role the United States must play within it.

I would also like to acknowledge past academic advisors and professors, of whom there have been many, for their guidance and counsel over the years. Likewise, I wouldn’t have been able to complete this thesis without the contributions of journalists, academics and historians whom I greatly depended on for sourcing throughout the entirety of this thesis research. Their work helps to inform on past and current events and provides a fundamental understanding of developments currently taking shape in our world today. Without their efforts, I wouldn’t have been able to grasp the significance of international relations in Taiwanese affairs and the consequential impacts of a power contest between the United States and China.
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Chapter I

Introduction

America is committed to the world because so much of the world is inside America... The blood of each nation courses through the American vein and feeds the spirit that compels us to involve ourselves in the fate of this good Earth.¹

— Ronald Reagan

To secure democracy’s future in an increasingly volatile world, the United States must firmly stand behind democratic values and institutions and actively work to thwart threats facing democratic peoples and nation-states in the world today. But as China rises and illiberalism gains ground in nations once primed for democracy, can the United States effectively secure the future of established democracies? Specifically, this thesis examines how the Chinese Communist Party (CCP) has grown in power and increasingly pressured Taiwan to abandon democratic principles. The work seeks to offer insight on how the United States and allies operating within an evolving rules-based order can navigate these new challenges and effectively stand in defense of democracy without sacrificing core values at stake in East Asia.

In recent decades, democratic nation-states have been challenged by forces seeking to undermine the core strengths and institutions of democratic societies. These developments, rooted in the ideals of illiberalism, position themselves as direct

challengers of the democratic order, and actively work to weaken the utility of
democratic rights, values and institutions within democratic nation-states and liberal
societies.\textsuperscript{2} Though the factors that have led to these developments are vast and varied,
this thesis focuses on the impacts these developments have had on Taiwan — a key U.S.
ally in the Indo-Pacific region. In recent decades, as China has grown more ambitious
with its domestic and foreign policy objectives, Taiwan, an island nation-state long
divorced from the Chinese mainland since the 1940’s, has increasingly found itself
struggling to maintain its democracy.\textsuperscript{3}

The CCP is committed to the deliverance of a one and unified China, increasingly
intrudes on Taiwan’s democracy, and actively threatens the use of military force if
Taiwanese governments, and its democratically-aligned peoples and institutions, do not
willingly agree to the complete reunification of the Taiwanese nation-state with the
Chinese mainland.\textsuperscript{4} The illiberal positions the CCP has taken through these undemocratic
developments directly challenges Taiwan’s democratic rights and sovereignty, and testes
the limits of U.S. commitments with Taiwan and long-standing U.S. policy of defending
the Taiwanese nation-state if threatened by an unprovoked war. From military build-ups
to meddling in the internal affairs of the Taiwanese government, the CCP has deployed

\textsuperscript{2} Zakaria, Fareed. “The Rise of Illiberal Democracy.” Foreign Affairs, 7 Dec. 2022,
\textsuperscript{3} Kathleen C. Bailey (2020) Maintaining Taiwan’s democracy, Comparative Strategy, 39:3, 223-238, DOI:
10.1080/01495933.2020.1740568
\textsuperscript{4} Press, Associated. “China Reaffirms Threat of Military Force to Annex Taiwan.” VOA, Voice of America
an aggressive strategy that seeks to erode the utility of democracy in the Taiwanese nation-state and replace it with a communist substitute.\textsuperscript{5}

The enduring struggle Taiwan faces in wake of CCP aggression will incalculably shape U.S. foreign policy in the Indo-Pacific region for the foreseeable future and test the enduring power of the United States in a world increasingly shifting towards multipolarity and U.S.-China contention. Taiwan stands as a stark example of a democracy that wouldn’t be faltering if the U.S.-led order of rules, norms and laws prevailed as strongly as the efforts the CCP is actively pursuing through its nefarious ambitions in domestic and international relations.

This thesis focuses on Taiwanese democracy and answers why its continuance matters to U.S. foreign policy and to the broader order of the rules-based international system. Taiwan’s ability to govern and effectively manage the affairs and future trajectory of its citizens, institutions, and society, is a feature of international relations that will increasingly be tested as the CCP challenges sovereign integrity in Taiwan and works to further erode its utility in a multipolar international system.

Literature Review

Four sets of relevant literature are discussed next and their linkages to this thesis are highlighted.

Democratic Resilience

Democratic liberalism provides the peoples and nation-states of the world the frameworks required for democratization and the expansion of democratic rights, values, institutionalism. Through these frameworks, peoples and nation-states are empowered to organize their respective societies and governments in manners that favor expressive individuality and freedom over collectivism and dominant state rule. In Taiwan, a former authoritarian nation-state has now turned into a strong, vibrant, and flourishing democracy through the adoption of democratic rights and values, and openness to democratic reform and citizen-powered governance.

This development towards democratization occurred despite the mainland’s close proximity and the Chinese Communist Party’s stark disapproval of Taiwanese democracy. Through their example, Taiwan showcases the suitability of democratic liberalism within a Chinese context, and actively projects a direct counter to the illiberal order that dominates the mainland through the CCP. Taiwan’s continuance as a democracy furthers the causes of democratization and builds on the strengths of the democratic world order the U.S. has worked to develop for more than 80 years.

Rules-Based Order

Through adherence to international rules, laws and established norms, the peoples and nation-states of the world can organize around shared ideals, practices and

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institutions. The adherence to these ideals, and the building of practices and institutions that faithfully uphold the suitability of these beliefs within systems of international relations in modern contexts, helps to further the development of a rules-based international system. The U.S.’s foreign policy is aligned with these ideals and their continuance in international relations, but increasingly faces challenges from the CCP as China seeks to reorient the international order towards its advantageous and illiberal preferences.

Despite China’s efforts, the rules-based order has delivered tangible gains for democratic adoption and rights proliferation in the past 80 years and continues to stand as the optimal vehicle for democratic advancement in the modern world today. U.S. foreign policy will have to bolster rules-based order strengths while addressing shortcomings that could be easily exploited by an irresponsible power, such as China and their illiberal aims of achieving democratic backsliding in Taiwan and broad democratic decline throughout the Indo-Pacific region.

The Security Dilemma

As the U.S. strives to achieve greater influence in the Indo-Pacific in order to support Taiwanese democracy and maintain democratic order elsewhere in the region, efforts to bolster U.S. military preparedness faces the risk of triggering an escalating security dilemma between the United States and the People’s Republic of China. Through

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an increased U.S. presence in the Indo-Pacific, China can potentially view the U.S. as a powerful nation-state seeking greater influence in a part and region of the world where Chinese institutions should dominate affairs. President Xi Jinping of China commonly expresses his desire for the U.S. with withdraw from the region and actively seeks opportunities for the CCP to exploit U.S. weaknesses, and the increasingly frail ties the U.S. shares at times with traditional allies in the Indo-Pacific.\textsuperscript{10}

Despite these open calls for U.S. withdrawal, American policymakers and foreign policy think leaders are continuing the U.S.’s pivot to the East, judging China’s rise as a threat to Taiwan and the broader democratic order of the region in the short-term, and China’s illiberal ambitions as a threat to the entire international system in the long-term. Despite the potential security dilemmas that may arise from this changing posture in U.S. foreign policy, the U.S. remains firmly committing to defending democracy and upholding historical agreements with democratic nation-states, such as Taiwan. The Taiwanese Relations Act compels the U.S. to act in defense of Taiwanese security and provides U.S. policymakers the foundational agreement on which to build U.S. efforts in the region. From billions in increased support for military equipment and security aid, to proposals calling for Taiwan to be considered a major non-NATO ally of the U.S., U.S. foreign policy towards Taiwan has dramatically shifted in light of Chinese military expansionism and the provocations of the CCP towards Taiwan and the broader Indo-Pacific region.\textsuperscript{11}

In international relations, a security dilemma frames the challenge a nation-state faces when increasing the security capabilities of their respective nation-state, even when achieving an advantageous security state can potentially threaten the security of another nation-state.\textsuperscript{12} In the context of China and Taiwan, the building-up of Taiwanese military capabilities and security infrastructure would not directly threaten the sovereign integrity of the Chinese Mainland. It would, however, undermine the power of the CCP overtime given the prevalent nature of democracy on the Taiwanese island. Taiwan’s success with democracy would directly counter communist governance in the PRC and further the existence of a government founded on challenging communist claims from the CCP.

Inversely, a China that builds-up its own military capabilities and security infrastructure in order to potentially invade an island nation-state it claims to be its own, would also trigger a security dilemma with Taiwan and the broader Indo-Pacific. These are the dynamics that are currently playing out from the South China Sea to the Straits of Taiwan, as China positions itself as the great military power of the Indo-Pacific with unmatched military capabilities that stoke fear in the imaginations of democratic peoples and nation-states throughout the Asia Pacific and Eastern world.\textsuperscript{13}

This thesis utilizes a historical approach in research and works to incorporate historical developments with narrative framings that help to define influencing perspectives in U.S., China and Taiwanese relations. This provides the foundation on


which to understand China’s historical development from impoverished nation to rising superpower, Taiwan’s transformation from authoritarian state to vibrant democracy, and the U.S.’s role in the development of modern China and democratic Taiwan, and the broader international system at large.

China’s rise stems in large part due to its opening of formal relations with the United States in 1971. Since that initial reestablishment of ties between the U.S. and China, China — led by the Chinese Communist Party — has developed strong economic, political and military institutions capable of securing China’s sovereign integrity. This development is significant, for China once dealt in the not-too-distant past with conditions that would have made sovereign integrity impossible to imagine for the average Chinese citizen.\(^4\) Hundreds of years filled with military intrusions and wide scale invasions from neighboring nation-states made China a weak and impoverished nation-state with limited ability to govern over its internal affairs. This history informs and shapes Chinese politics today and explains the reasoning behind CCP positioning on Taiwanese democracy and China’s right to dictate Taiwan’s future without external interference. China no longer wants to play part in a system that limits its ability to dictate it owns internal affairs, and Taiwan — despite its unique history and divorced status from the mainland — is unequivocally viewed as an internal affair for the Chinese Communist Party.

For the United States, a strong relationship with China that maintains beneficial economic trade ties and developmental opportunities for both nations, has historically been the overarching objective of U.S. relations with China for more than five decades.\textsuperscript{15} But as China grows more aggressive with Taiwan and challenges historical precedents set by the One China Policy agreement through its aggressive posturing and antidemocratic objectives, the initial intents and purposes of the agreement begin to fade away and concerns about China’s growing power abilities begin to gain prioritization in U.S. foreign policy arenas. For Taiwan, maintaining the status quo of autonomy without significant CCP intrusion would be the ideal outcome for the emerging contentions arising between the United States and China. Taiwan’s fate will fall prey to an unprecedented security dilemma between two of the most powerful nation-states in the world, with one side seeking democratic prevalence in the international order system and the other seeking an illiberal alternative that legitimizes communist governance over China, Taiwan and inevitably, other nations in the Indo-Pacific and the broader international system.

Democratic Peace Theory

In international relations, the concept of democratic peace theory stems from the historically proven fact that no democratic nation-state has ever gone to war with another democratic nation-state. It underpins the causes for democratization in international

relations and furthers the utility of democracy as a vehicle for peace, security and stability in the world order system today.\textsuperscript{16} China’s failure to embrace democratic rights and values after their formal opening with America in the 1970s has led to a China primed for contentious power struggles between the Chinese Communist Party and the United States. China’s military threats against Taiwanese democracy erodes the utility of democratic peace theory in the Indo-Pacific, for it potentially demolishes a democratic government — a key condition for the theory’s applicability — with a communist regime replacement.

The theory also centers the role of accountability in citizen-led democratic governments and nation-states, for democratic governments, and democracies at large, are constitutionally held to account by a citizenry institutionally elevated within the democratic governance system. Through these fundamental characteristics in democratic systems, citizens shape the priorities of their respective governments, and organize politics that conditionally promote peace, stability and democratic development within their empowered systems. These conditions lead to stable and functioning governments, and in extension, produce politics that biases greatly towards anti-war organization within democratic nations and governance systems.

This thesis argues in favor of a robust and dynamic U.S. foreign policy in the Indo-Pacific region that prioritizes the democratic preservation of Taiwan’s democratic system of governance in view of increasing CCP aggression. Taiwan’s struggle to maintain its democratic way of life frames the larger challenge facing the broader Indo-

Pacific region. A strong and emboldened China, unencumbered by the rules and norms of decades past, will directly pose a threat to the democratic values and institutions of peoples and nation-states in the Indo-Pacific region. The CCP’s disregard for democracy and their ambitious aims to reorient the international order away from Washington and towards Beijing, will directly challenge the established orders of international relations, and erode over time powerful holds the U.S. possesses in influencing global events and democratization. A new order system where U.S.-oriented priorities lose favor over Communist China and their undemocratic governing philosophies will lead to an international system where democratic values and practices increasingly falter under the weight of illiberalism.

The U.S. has long held firm in its support for democratic liberalism and its broad adoption in the modern, rules-based international system. In Taiwan, America finds a strong, prosperous and peaceful ally in the Indo-Pacific, and a nation-state that stands as an exemplary example of a democracy flourishing in an international system built for its success. If U.S. foreign policy is to actively support their continuance as a democratic nation-state, American policymakers will have to pursue new political, economic and military agreements with varying nation-states throughout the Indo-Pacific and aim to work through unified and concerted means against CCP ambitions and their undemocratic encroachments on Taiwanese democracy.

A Roadmap

Chapters One and Two introduce key findings and concepts, outline’s the thesis’s structure and provides an overview on research literature. Chapters Three and Four discusses the background on the U.S.’s relationship with Taiwan and the People’s
Republic of China; specifically, historical events and key moments in U.S. relations with China and Taiwan since formal reopening of ties with the Chinese Communist Party to modern day China and democratic Taiwan are addressed. Chapters Five and Six highlight current efforts being pursued to contain China’s influence in the Indo-Pacific, the driving reasons behind the U.S.’s pivot to the East, and the forming of alliances amongst nation-states and pacts amongst democracies to counter China’s rise economically, politically and militarily in the Indo-Pacific. In sum, this thesis argues in favor of continued U.S. leadership in the democratization of the international system and the U.S. unequivocally supporting Taiwan in their struggle to maintain its democracy.

Applied History

To understand how we got here and why, one must first learn from history. Then the lessons of history might become useful for readers, students, and leaders today and tomorrow. Taiwan’s struggle with democracy is not a new phenomenon. The founding of the Taiwanese nation-state stems from a brutal and terribly divisive Chinese Civil War that till this day has yet to formally conclude amongst its warring parties and differing political factions. In Taiwan, China finds a divorced part of historical China with strong ties but starkly divergent political beliefs and organizational principles. In recent decades, Taiwan has transformed itself into a strong and vibrant democracy while China, once primed for democratic reform and modernization, increasingly turns towards communist authoritarianism and zero tolerance towards democracy within Chinese lands, provinces, and territories.

This thesis utilizes sources from historical events, policy papers, think tanks, political speeches, and news clippings in order to understand the developments shaping
Chinese ambitions in the Indo-Pacific today. These developments inform U.S. policymakers in decision making processes they take daily when positioning American power and resources in the increasingly volatile Indo-Pacific region. Significant developments in U.S. relations with China and Taiwan also create powerful precedents in international relations and set in motion a series of geopolitical events that are likely to occur given the weight and authority over preceded events in U.S., China, and Taiwanese history.

This also helps to frame narratives, and the narratives peoples and nation-states tell themselves in order to gain support for their overarching objectives. In China, centuries of shame and growing military power is emboldening the Chinese Communist Party to rewrite history and shape the course of historical events towards its advantageous favor. In Taiwan, a struggle to maintain democracy in the face of growing and unwelcome aggression from a powerful neighbor is coalescing a movement to support democracy no matter the cost and garner international support for their internal struggle. In America, the need to maintain leadership on the world stage and uphold a system of international rules and norms where democratic ideals and values are proliferated without significant impediment from anti-democratic forces and illiberal communist powers.

The United States

Following years of mismanaged wars in the Middle East, the U.S. has pivoted towards the East with a focus on supporting democracy in the Indo-Pacific and the broader international system. Despite challenges in the domestic U.S. and an ongoing war in Ukraine, U.S. foreign policy is increasingly focused on China and its undemocratic ambitions with Taiwan and the broader intentional order system. China’s actions,
accompanied with their growing military powers and competent political and diplomatic administration, is actively challenging the U.S. and its global leadership position and furthering the reorientation of the world’s political order system away from democratic, western power concentrations to eastern, undemocratic and authoritarian power centers. The examination of U.S. foreign policy in the realms of rules-based international order and democratization falls in-line with historical U.S. foreign policy and builds on established precedents made through U.S. commitments in democracy-building efforts for more than 80 years.

In Taiwan, these efforts have supported the development and maturation of democratic rights and practices, and actively promoted the modern reform of Taiwan in the 1990’s and early 2000s. Historical documents, congressional reports, academic research and contributions, and bodies of work found through open source means largely encompasses the scope the examination for America’s role in this thesis. The U.S. also provides a national security strategy periodically that provides a broad scope of understanding to events unfolding within the reasonable purview of U.S. foreign policy.

Taiwan

In Taiwan, the struggle to maintain democracy is tearing at the heart and fabric of Taiwanese society. It is the main overarching objective of the Taiwanese government, and in extension, the Taiwanese people who continue to actively engage in democratic practices and institutions and support the continuance of their democratic way of life and governmental organization with the preference of no CCP interference on Taiwanese sovereignty. Organizing around shared democratic ideals, finding support and sympathy from the United States and like-minded democratic nation-states for their democratic
struggle, and building-up the military defenses and security infrastructure of the island nation-state, is the driving story that dictates Taiwan’s place in today’s international order system.

This thesis advances these dictations through the collection of qualitative and quantitative data and historical accountings that establish Taiwan’s history and democratic rise in the context of Chinese history and the CCP’s driving narratives for national reunification through any means necessary.

The People’s Republic of China

For China, achieving national reunification and dictating the terms of its own collective future, even if against established rules and norms of international system the U.S. helped to create in the post WWII era, is paramount to any other concern. To achieve these ends, the CCP has established aspirational goals that call for the People’s Republic of China (PRC) to be a modern and fully advanced nation-state by the year 2049. 2049 stands as a significant year for the CCP, for it marks a century of governance over the Chinese nation-state and proves, through its steadfast continuance, the strength and vitality of the communist party in the modern, 21st century world.\(^7\) The CCP holds no high regard for the democratic order and is focused on achieving its aspirational goals even if doing so creates concerns and worries throughout the international system. In recent remarks, President Xi has vowed to deliver a China that is strong, dominant and in control over its

domestic and foreign affairs by the year 2049.\textsuperscript{18} There are growing concerns that the CCP may achieve these ends regardless of the economic or political cost it may incur on the CCP in the short-term. This worsens the challenges facing Taiwanese democracy, for the growing assertiveness of the CCP increases the risk of reunification with the mainland, and accelerates plans for a potential military conflict with Taiwan. The conflict would be unwelcomed by Taiwan and would stand as a modern example of a communist nation-state directly challenging the legitimacy of a democratic nation-state through military means. But for China, that development would be a natural progression for the CCP and its ambitions goals for self-determination through illiberal means. Increasingly, China is the protagonist of a story that pits them as the greatest enemy to democracy and rules-based order since the days of Soviet Union in the 20th century. This thesis collects sources from a myriad of informational outlets, such as think-tanks, congressional reports, bodies of academic research and literature, speeches, and other various news clipping websites and publications, in order to accurately portray the CCP and their truest intentions against Taiwanese democracy and their preferred international order system.

Research Limitations

Given the changing nature of the U.S.-China relationship and the secretive nature of the Chinese Communist Party, it is at times difficult to decipher the truest intentions of CCP policy and their intended outcomes if successfully implemented. The security

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situation and America’s positioning within the Indo-Pacific is quickly changing as well, with new military agreements being established with the Philippines and other varying partners in the region that were not materialized at the time I began this thesis. Time and the ever-changing nature of it stands as one of the starkest limitations for this thesis, for it reveals the limited scope of understanding we possess on any given set of events while they are actively progressing in real-time.

Reliance on sourcing from open sources, mainly internet searches, new clippings and other various forms of content and information consumption, is also greatly vulnerable to bias and misinformation. Even mistruths are a possibility. Historical information from key milestones and events in U.S., China and Taiwanese history also stemmed from sources that may not truly represent the fullest picture of events or its true scale. The CCP is notorious for their secrecy and limited information is truly known on the inner workings of CCP organization and political infrastructure.
Chapter II.

U.S.-Taiwanese Relations

Since the establishment of the One China Policy, the United States has stood firm in its commitment to upholding the principles of the agreement while continuing an informal yet diplomatically significant relationship with the Republic of China. Though the U.S. affirms the People’s Republic of China’s claim as sole heirs of historical Chinese lands and territories, the special ties between the U.S. and Taiwanese nation-state called for continued American support for the Taiwanese government and its sovereign defense. The Taiwan Relations Act, passed by the U.S. Congress in 1979, provides a legal framework for the unofficial relationship between the United States and Taiwan and mandates that the United States provide Taiwan with defense articles and services necessary for its self-defense.\(^\text{19}\) This framework provides U.S. institutions, in both the public and private sector, the opportunity to deepen ties and investment with Taiwanese organizations, and allows for American interests to operate in Taiwan with negligible impacts from the Chinese Communist Party in Mainland China.\(^\text{20}\) Robust ties between the U.S. and Taiwan has led to strong military and economic interdependence between the two nation-states, with the U.S. providing critical military equipment and defense


expertise for Taiwanese military bodies, and Taiwan — a once-authoritarian nation-state now turned flourishing democracy — organizing itself as a strong and vibrant ally of the United States with a globally significant economic sector.

Trade

According to the U.S. Congressional Research Service, Taiwan is the US' ninth-largest trading partner, with more than $115 billion worth of goods being traded in 2021.21 From electrical machinery, vehicles, plastic, iron, and steel, to the increasingly important components of computer chips and highly specialized technology manufacturing necessary for modern day tools, such as iPhones, laptops and medical devices, Taiwanese institutions dominate critical industries of global importance, and biases supply chain networks towards its advantageous favor.22 A clear example of Taiwanese dominance in the global economy is in the manufacturing of semiconductors and highly sophisticated computer chips — critical components necessary for the operation and functionality of nearly every digital device in the world today. Taiwan accounts for more than 90 percent of all semiconductor and chip manufacturing in the world today, and actively works to maintain these competitive advantages through investments in its domestic manufacturing capabilities.23 Maintaining these advantages in

sectors that underpin the modern global economy propels Taiwan into a position of instrumental importance in the post-World War international community.\(^{24}\) \(^{25}\)

**Figure 1. U.S.–Taiwan Goods Trade 2000-2021**

![Graph showing U.S.-Taiwan goods trade from 2000 to 2021](image)

*Source: CRS with data from the U.S. Bureau of Economic Analysis and Taiwan's Ministry of Economic Affairs.*


Wires of War

In Jacob Helberg’s *The Wires of War*, the importance of these economic sectors comes into focus when the contest for power between the United States and China is conceptualized in the field of international relations. China’s increasing aggression in the


Indo-Pacific region, along with growing calls for a Taiwanese invasion from within the Chinese Communist Party, reveals the vulnerabilities facing the global supply chain today. The United States, though a dominant superpower with significant manufacturing capabilities, lacks the manufacturing know-how and infrastructure to compete comparatively with Taiwanese manufacturing institutions. Though recent legislative bills have passed in the United States to rectify the current disadvantaged state of American manufacturing, the U.S., along with most of the entire world, depends heavily on Taiwan for manufacturing of critical part necessary for the function of modern, technologically reliant economies.26

As experienced during the COVID-19 pandemic, when global supply chain networks were strained by a litany of public health challenges, limitations in domestic manufacturing capabilities lead to powerful nation-states, such as the United States, being left vulnerable and unable to fulfill the manufacturing demands of the domestic homeland.27 Though the pandemic revealed the shortcomings of public health infrastructure and the sensitivity of supply chains for pandemic-related goods, it also revealed the reliance American institutions have with foreign nation-states, multinational corporations and non-U.S. based manufacturing partners for the supply of critically essential goods.28

In the *Wires of War*, Mr. Helberg, a Senior Adviser at the Stanford University Center on Geopolitics and Technology, argues that the United States must come to terms with these vulnerabilities in the supply chain to win the future and dictate the terms of 21st century. Failure to address these shortcomings will leave the United States in a vulnerable state and provide China the opportunity to control the economic sectors that underpin the modern global economy. This is why the United States is increasingly finding it imperative to defend Taiwan and recognize the island-nation as a sovereign, independent nation-state with complete autonomy over its respective affairs. It builds on Taiwan’s own efforts to seek independence recognition from the United States, and actively complements the robust economic and diplomatic engagements Taiwanese citizens, institutions and governments promote to gain greater relevance and place in the international system.

**CCP Intrusions**

Despite these overtures, Taiwan remains a nation-state in limbo status, with no official recognition in the international community. Taiwan’s non-recognition status is a reality that has defined the Taiwanese experience since the official reestablishment of diplomatic ties between the United States and Chinese Communist Party in the early 1970s. But as China grows more assertive in its push for Chinese reunification, and

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status quo dynamics with Taiwan start to change, the U.S. relationship with China is increasingly forced to adjust. The adjustment from friendly ally to defender of democracy is not an unexpected development for U.S.-China relations. China is aware of America’s foreign policy commitments and the U.S. in turn is increasingly aware of China’s harbored ambitions for global contest.\textsuperscript{32} China was able to achieve its extraordinary capabilities through its utilization of the present international system, yet now works to replace the system with a set of rules and practices that favor authoritarian governments and Chinese-centered power control over democratic liberalism and Western power.

America’s commitment to the modern, rules-based international system supports longstanding U.S. policy of being active proponents of democratic liberalism in international relations.\textsuperscript{33} In Taiwan, the Taiwanese citizenry, along with its democratically elected government, organize the economic, political and social institutions of the island nation-state on principles in-line with democratic liberalism. These organizational conditions allow for the development of democratic practices and institutions on the island nation-state and further the advancement of democratic ideals in the Indo-Pacific region.\textsuperscript{34} As a democratic nation-state, Taiwan has shown — through its successful adoption of democratic governance — the viability of democratic systems within Chinese contexts. Taiwan’s transformation from authoritarian state to flourishing democracy in recent decades, showcases the positive changes that occur when failed


illiberal ideologies of the past are abandoned in favor of free, democratic and liberal government systems.35 But despite these gains, China is hellbent on concluding Taiwan’s experimentation with democracy and will not waver in its commitment for Taiwanese unification with communist characteristics.

**Military Intimidation**

To further the Chinese cause of reunification through force, China has taken numerous actions against Taiwanese sovereignty. They include military intimidation, diplomatic isolation, economic coercion, cyberattacks and propaganda. Though the CCP’s efforts are not solely limited to these actions, these are the dominating acts that severely intrude on Taiwanese governance and democratic society today. China has used military intimidation as a means to pressure Taiwan and assert its territorial claims over the island. This has taken the form of military exercises near Taiwan, increasing the frequency of Chinese military aircraft and ships entering Taiwan's air defense identification zone (ADIZ), and making threatening statements about the use of military force if Taiwan declares independence.

The Chinese military has also demonstrated its capabilities through large-scale military drills and parades. These actions are intended to demonstrate China's modern military capabilities and show Taiwan and the international community the preparedness of China’s military in the event of a military conflict.36 This is meant to deter Taiwan and

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its democratic allies from furthering their military support for the Taiwanese nation-state and provides the CCP the advantageous position they seek when negotiating reunification with the Taiwanese government. The building of tense pressure between the CCP and Taiwan also acts a powerful intimidation tool in psychological warfare games and pre-conflict CCP war strategies.37

**Diplomatic Isolation**

Diplomatic isolation has also played a pivotal role in China’s strategy against Taiwan and its place in the modern international system. China has pressured other countries not to recognize Taiwan as a sovereign state and has worked to limit its diplomatic representation within international organizations, such as the United Nations, and international institutions, such as the World Health Organization, to name a few. Taiwan’s exclusion from official recognition in the WHO became a point of contention during the height of the COVID-19 Pandemic given Taiwan’s well-managed response to the pandemic and its manufacturing capabilities in the healthcare market, particularly in a time of global public health crisis.38

These isolationist tactics severely impede on Taiwan’s ability to engage with the international community as a sovereign nation-state with legitimate authority over its international engagements and diplomatic infrastructure and furthers the CCP’s role as

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controller of Taiwanese governance in international capacities. When a nation-state is unable to fully control and govern over its external affairs, the nation-state is limited in the ways it can fully and meaningfully engage with the international community at large. Given Taiwan’s autonomous government and divorced state from the Chinese mainland, Taiwan limited abilities for international diplomacy are irregular and unusual for sovereign nation-states.39

Economic Coercion

Increasingly, China uses economic tools and the vastness of China’s power in the global economy to economically coerce Taiwan and influence governmental policy with the Taiwanese government. Through economic incentives, and at times, economic disincentives, the CCP has been able to effectively reduce trade, cut off Taiwanese products from key economic markets, such as the Chinese mainland, and severely cut into the profits of Taiwanese business and industries that maintain heavy reliance on Chinese consumers for economic success.40 Though Taiwan’s economy is considered one of the most economically strong and vibrant in the Indo-Pacific region, China remains the top trade importer of Taiwanese products and goods.

Trade between Taiwan and China is far larger than Taiwan’s trade with democratic-ally the United States, and accounts for nearly half of Taiwan’s imports and exports. Hundreds of billions of dollars of economic activity happens between the two

nation-states at any given moment, with China maintaining an advantageous position over Taiwanese economics given their instrumentally webbed economies and strong economic ties.\textsuperscript{41} In addition, economic trade between the straits of China and Taiwan has only increased in recent decades. According to Taiwanese government data, trade between China and Taiwan has increased from $11 billion per year in 2001 to nearly $300 billion in trade per year in 2021.\textsuperscript{42} This exponential growth in trade has not only benefitted China but has largely provided Taiwanese businesses and industries the opportunity to bolster their economic investments and ties with the Chinese mainland – a key condition for robust growth in domestic Taiwan.

Favorable trade conditions provide Taiwanese businesses and industries the ability to create jobs and meaningful employment opportunities for Taiwanese citizens within the island nation-state, and support through increased profits and wealth creation a growing and dynamic Taiwanese society. China’s leverage over this condition provides opportunity for economic exploitation, and the CCP is increasingly unafraid to punish key businesses and industries within the Taiwanese economy to hurt critically important leaders and institutions within Taiwanese society. This leverage provides the CCP a direct influencing tool within Taiwanese contexts and allows for communist officials in Beijing to immediately retaliate against key political targets and business leaders within Taiwanese institutions.\textsuperscript{43}

Figure 2 showcases exponential growth in trade between Taiwan and China. Most notably, from 2001 when China officially entered the World Trade Organization, until 2021. More than 20 years of incremental and economically significant trade growth for both nation-states. Source: Customs Administration, Ministry of Finance (Government of Taiwan) https://www.taiwan.gov.tw/content_6.php

Cyberattacks

In the digital age, China increasingly depends on irregular warfare tactics in the digital arena. Cyberattacks have become a defining feature of CCP aggression towards Taiwan given the low cost and highly effective nature of cyberattacks against key political, economic, and military institutions within the Taiwanese island. From intelligence gathering to disrupting systems within Taiwanese government buildings and infrastructure, the CCP increasingly relies on cyber to impede on Taiwanese self-governance and their ability to effectively defend themselves in the event of Chinese invasion. The CCP is also able to collect sensitive data and material and stoke further
paranoia and chaos within Taiwanese government and society through their concerted
and far-reaching cyber attack efforts. The CCP’s aggressive use of modern tools in digital
arenas in order to influence outcomes of domestic events in Taiwan has progressively
become a growing concern for other democratic nation-states in the Indo-Pacific and
broader international community. China’s testing of cyberattacks against Taiwan
provides a preview of disruptive events to come for other nation-states who challenge
China’s actions, whether they be domestic or foreign, and furthers the argument of China
being an irresponsible nation-state in the rules-based international system. This concern
has been realized to be justly caused given China’s recent attacks against democratic
nation-states such as Australia, who has recently elevated Chinese confrontation as a key
feature of its foreign policy objectives.

**Propaganda**

Media plays a powerful role in telling stories and shaping narratives. The CCP is
unafraid to use media and propaganda, arguably with no limiting characteristics or regard
to truth, in order to achieve its preferred outcomes in numerous circumstances and
international contexts. In Taiwan, the CCP uses propaganda tools to undermine domestic
institutions, predominantly government institutions, in order to erode trust in Taiwan’s
democratic government and bolster support for the CCP within the island nation-state.

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44 Hjortdal, Magnus. “China’s Use of Cyber Warfare: Espionage Meets Strategic Deterrence.” Journal of Strategic
targets-defence-and-energy-information-in-monthslong-hack/news-story/23f55f01c93e7b5827f20bf48cfdef67
From planting false stories to inaccurately portraying key government leaders and institutions as corrupt, the CCP actively works to portray Taiwanese democracy as inherently flawed and inferior to the CCP and its communist characteristics.

These efforts also work to erode Taiwan’s place in the world through use of media in manners that delegitimize Taiwanese claims of autonomous independence and further positive narrative of China’s unrelenting ascendance in the Indo-Pacific and broader international system. Portraying Taiwan as weak with ineffective government systems also works to dissuade the Taiwanese people from supporting their own democratic government, a facet of a larger, more concertedly effort from the CCP against Taiwan’s present government, led by Taiwanese President Tsai Ing-wen, and its anti-reunification politics.4647

Given the myriad of conditions facing Taiwan, the U.S. has increasingly been forced to contend with an emerging security dilemma challenge in Taiwan and the broader Indo-Pacific region. To address the dilemma, the U.S. has increasingly supported Taiwan’s call for more U.S. support in military aid and assistance with increase amounts of funds for military readiness and provides Taiwanese military bodies with trainings and other specialized services for optimal defense capabilities in the Taiwanese strait. Given the U.S.’s affirmed commitment to the Taiwanese Relations Act, fighter jets, missiles and military hardware are regularly sold to Taiwanese military bodies for Taiwanese defense and regional stability in the Indo-Pacific.

In the domestic politics of the U.S., the Taiwanese challenge has increasingly garnered bi-partisan support, with top political leaders from both the Democratic and Republican Party supporting Taiwanese autonomy and the Taiwanese right to self-defense. In the Fall of 2022, Nancy Pelosi — then Speaker of the House and one of America’s most powerful political leaders — visited Taiwan to reaffirm America’s commitment to Taiwanese democracy and showcase to China and the CCP America’s enduring commitment to Taiwanese democracy and independence. The trip was highly controversial and led to a furthering of contentious relations between the PRC and U.S. Despite the controversies conjured with the trip, the U.S. remains committed to defending Taiwanese democracy, with now Speaker of the House Kevin McCarthy, successor to Speaker Nancy Pelosi, in the planning stages for the embarkment of a trip to Taiwan in the near future. These developments in domestic politics build on growing concerns in the United States on China’s growing powers and the potential implications of having a strong communist nation-state in the Indo-Pacific and the broader modern international system.

Modern day relations between the United States and Taiwan are built on shared ideals of democracy, human rights, and a commitment to maintaining peace and stability in the Indo-Pacific region. The U.S. supports Taiwan as a democratic society that is committed to upholding these values and principles on the Taiwanese island nation-state and more broadly as instrumentally part of Taiwanese culture and identity.
Chapter III.

U.S.-China Relations

The relationship between the United States and China has been complex since the establishment of formal diplomatic relations between the two nation-states in 1979. The relationship includes elements of cooperation on challenges viewed as shared responsibilities amongst powerful nation-states, with climate change predominantly gaining attention in this aspect of the relationship, to increasingly contestable competition amongst fields of importance to global leadership dominating other aspects of the progressively worsening relationship. From technology to trade, to advantageously seeking inherent abilities to influence geopolitical events in the Indo-Pacific and the broader international system, the United States and China are in a contentious tit for tat that is ushering in a new era of Cold War-esque politics to the international system.48

A similar dynamic has not existed since the years of the Cold War when power contests between the United States and the Soviet Union were a common feature in international relations. The struggles facing Taiwan in wake of CCP aggression has only worsened the U.S.-China relationship, with the CCP’s growing assertiveness to reunify Taiwan with the mainland a growing point of tension between the two great powers. China’s military build-ups and power capabilities in the international system has further

crystallized the contentious dynamics facing the U.S. when working to manage the relationship with the CCP. The growing strategic importance of the Indo-Pacific, along with competition in key fields of international importance, such as technology and innovation, has made for a relationship that is increasingly unstable and at odds with the initial intents and purposes of American reproachment with China.

The United States-China relationship has gone through several phases since its initial reopening of ties in 1971. Here are some key milestones in the relationship:

- **1971**: The United States announces its intention to normalize relations with China and remove its recognition of Taiwan as the legitimate government of China. The intention stemmed from the U.S. seeking to move beyond the containment policies of the past, that once sought to delegitimize and weaken the Chinese Communist Party since their initial claim to power in the 1949 and move the U.S. relationship with China towards greater cooperation and more productive outcomes. This realignment in U.S. priorities stemmed from seeking a potentially strong ally in the Asia Pacific that would effectuate American interests through their allyship with the United States. Through this newly founded purpose in the relationship, the U.S. would be able to counter Soviet influences in the Eastern world and contain the expansionist ambitions of the Soviet Union at that time in the Cold War. China was also viewed as a potential mediator in solving U.S. challenges in the region, such as the ongoing Vietnam war that weighed heavily on U.S. resources in international arenas. Through engagement with China, the U.S. could depend on a growing relationship with the CCP and increasingly rely on Chinese counterparts to lead efforts in the Asia
Pacific and overseas numerous challenges on behalf of the United States, even if in indirect capacities.49

• 1972: President Richard Nixon visits China, meeting with Chinese Premier Zhou Enlai and Chairman Mao Zedong. The visit marked a turning point in the relationship, as the two nation-states began to engage in diplomatic and economic relations. President Nixon’s trip was the first by a sitting U.S. President since the CCP’s founding in 1949. It commenced a new era in U.S.-China relations and marked a transitory period that shifted U.S. foreign policy away from hostility and containment and increasingly towards coexistence and acknowledgment of differing political ideologies and government systems.50

• 1979: The United States officially recognizes the People's Republic of China (PRC) as the legitimate government of China and severs diplomatic relations with Taiwan. The two nation-states sign the US-China Joint Communique, which acknowledges the "One China" policy and America’s support to CCP’s claim over the Chinese Mainland and the divorced island nation-state of Taiwan.51

• 1989: The Tiananmen Square protests take place in Beijing, leading to a violent crackdown by the Chinese government. The United States imposes economic sanctions on

China and relations between the two nation-states are severely undermined given the CCP’s anti-democratic responses to peaceful protests in the mainland.52

2001: China joins the World Trade Organization (WTO), marking a significant milestone in China’s integration into the global economy. This development was made possible through the United States and their approval of China entering the WTO despite heavy resistance from labor unions and varying political interests in the U.S.. China’s WTO incorporation leads to economic development and the creation of modern China with second largest economy in the world.53

2005: The United States and China hold their first Strategic Economic Dialogue, which becomes a regular forum for discussing economic and financial issues. The 2005 US-China Economic Dialogue was significant because it marked a major shift in the economic relationship between the two nation-states. Prior to this dialogue, economic ties between the US and China had been characterized by friction and tension, with both countries accusing each other of unfair trade practices and currency manipulation. However, the Economic Dialogue provided a forum for high-level officials from both countries to engage in constructive discussions about these issues and work towards finding solutions that would benefit both sides. One of the key outcomes of the dialogue was an agreement to establish a Strategic Economic Dialogue (SED), which would meet regularly to discuss a wide range of economic issues, including trade imbalances, intellectual property rights, and financial market reform. The SED proved to be an important

mechanism for improving communication and cooperation between the US and China on economic matters, helping to pave the way for greater economic integration between the two countries. The 2005 US-China Economic Dialogue was significant because it represented a turning point in the economic relationship between two of the world's largest economies, laying the groundwork for greater collaboration and engagement in years to come.54

2008: China hosts the Olympic Games in Beijing, marking its emergence as a global economic and political power. Considered to be a strong soft power play in international system, showcasing China’s modernization, vast infrastructure networks, and capacity to host global events.55

2011: The United States announces a "pivot" or "rebalance" to Asia, signaling its intention to focus more attention on the Asia-Pacific region and engage more closely with its allies and partners in the region.56

2015: President Barack Obama and Chinese President Xi Jinping announce a joint commitment to combat climate change, and China agrees to cap its greenhouse gas emissions and work with the U.S. on matters pertaining to environmental stewardship and climate action.57

• 2018: The United States announces a trade war with China, imposing tariffs on billions of dollar’s worth of Chinese goods in response to what it sees as unfair trade practices by China.\(^{58}\)

• 2020: The COVID-19 pandemic leads to tensions between the United States and China, with the United States accusing China of mishandling the outbreak and covering up information about the virus.\(^{59}\)

• Present-day: Taiwan and its democratic future increasingly a pressure point in the U.S.-China relationship, with growing CCP provocations against Taiwan and its threats of military use for reunification, souring the U.S. relationship progressively.

The US-China relationship has been complex and has evolved significantly over the past 50 years. The relationship has been characterized by both cooperation and competition, with the two nation-states working together on issues such as trade and climate change, while also engaging in disputes over issues such as human rights, cybersecurity, and territorial disputes in the South China Sea. Taiwan’s democracy and the fate of its future is now increasingly a point of great contention between the two powerful nation-states. But China's modern development transpired in large part due to the United States, and the productive relationships China established with key economic institutions in U.S. business and finance markets.

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Chapter V.

China Containment

To limit the impacts of China’s rise in the international system, the United States has pivoted its foreign policy objectives away from democracy building and military conflicts in the Middle East, and increasingly towards the hotly contested Indo-Pacific region. China’s nefarious influences in the region, coupled with its anti-democratic ambitions with Taiwan and elsewhere in the international system, has compelled the U.S. to reorient the foreign policy objectives towards the East. Through this change in posture, the U.S. is working to recalibrate for new challenges and dynamics in the international system, with China’s rise being one of the dominant influencing factors in these foreign policy developments.60

America’s pivot to the East has been long underway, with onsets of a recalibration starting with the Obama Administration and further developed along in successive U.S. Presidential Administrations. The shift to the East stems largely from China’s failure to adopt democratic liberalism within the domestic Chinese Mainland, a development once sought by American policymakers at the start of the 21st century, and from the Chinese Communist Party’s rapid build-up of Chinese-centered infrastructure in economic,

political and military arenas throughout the Indo-Pacific region. These developments have led to the rise of an order system where the CCP is increasingly able to influence and effectively control the domestic outcomes of nation-states within the immediate vicinity of the Chinese Mainland. Instead of supporting the current international system with the rules, practices and norms that call for sovereign integrity, open and free exchange amongst independent nation-states, and the proliferation of democratic values in international systems, the CCP is working to undermine the current rules-based system and replace it entirely with a Chinese-derived alternative. Through an aggressive foreign policy that seeks to reorient the world’s power concentrations from Western capitals to the Far East, the CCP is investing heavily in economic, political and military capacities in order to secure the dominating strengths they would need to harbor for uncontestable leadership in international relations.

China’s aggressive foreign policy in the region has been made possible through its rapid development and modernization in recent decades, with the U.S. playing a direct role in the development of modern China for friendly relationship developments and economic prosperity purposes. China’s developed and now prosperous state is a challenge the U.S. is forced to contend with as the CCP takes advantage of its new found strengths and builds a comprehensive power system that advances communist ideologies.

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in the Mainland, the independent nation-state of Taiwan, and elsewhere in the Indo-Pacific region and broader international system. These developments in Chinese power have led to a destabilizing state of affairs that is increasing provoking tensions amongst the nation-states of the Indo-Pacific, most notably nation-states that are democratic and largely aligned with the rules-based international order through their inherent orientation. Nation-states such as Japan, South Korea and India are increasingly worried about China’s rise and the implications an illiberal power like China can possess if provided the opportunity to develop and further influence the regional affairs of the pacific without significant impediment.  

**Belt and Road Initiative**

A key tenet of China’s foreign policy is the expansion of China’s direct role within the internal institutions of neighboring nation-states. This is achieved through increased Chinese investment in economic, political and military arenas in Asian nation-states, and increasingly extends to Africa, Europe and regions of the world that hold historical ties to China’s ancient silk road. To revitalize the utility of China’s ancient past, the CCP established a Silk Road Initiative, more commonly known as the Belt and Road Initiative, that seeks to recreate the connection China once held with populations, communities and nation-states through the ancient silk road. To achieve these ambitions, China unveiled BRI and committed billions of dollars towards the building of

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infrastructure, Chinese political and diplomatic capacity, economic trade, and increasingly the most important aspect of the program, strategic foreign policy positioning to contest American power in the international system.

**Infrastructure**

Key aspects of BRI program include infrastructure, economic expansion, political diplomacy and power competition with the United States.\(^{66}\) To bolster direct ties with the outside world, China is emphasizing infrastructure in order to directly facilitate the construction of roads, ports, airports, pipelines and other modern infrastructure, with immediate associations with the CCP and their international development ambitions. Nation-states that choose to participate in BRI are brought into a vast and fast-growing web of infrastructure networks that seek to not just modernize the nations that participate in BRI but influence the orientation of their domestic economies and politics towards Beijing and the CCP’s order system in the long run.

These construction projects largely occur in nation-states that have struggled to secure financing and economic prosperity through traditional, westernized means. China disregards traditionalized notions of infrastructure financing in order to secure the support of peoples and nation-states that have poorly served by Western economics. The gap between rich and western nations with established economies vs poor and less developed nations with limited financial resources, has provided the CCP with an opportune opening for Chinese-led investments and power building opportunities in

Africa, the global south and broader international system. Through the exploitation of apparent gaps in the modern international system, China is able to exploit western weaknesses and invest in nation-states that will potentially hold greater power in the future. Though Chinese-led investments have largely been welcomed by poorer nation-states, the lines between legitimate investment with mutually beneficial gains for participating nations and the CCP, is increasingly being blurred. The CCP takes advantage of the impoverished state of BRI participating nations and writes construction loan agreements and other legally binding accords in manners that greatly favor the CCP’s role in the project. This has led to the CCP taking control and ownership of numerous infrastructure projects throughout the world, typically expensive projects such as airports and seaports, where billions of dollars have been invested in order to build the system. This has led to debt traps for impoverished nation-states with poor economic affairs and corruptible governments. Through these traps, China takes control of critical infrastructure and is empowered onto a position where it can directly manage the movement of people and goods within a BRI participating nation-state.67 This furthers the power of the CCP in nation-states far beyond mainland China’s borders and expands the web of ties the CCP wields control over throughout the international system.

Economic Expansion

To build on infrastructure investments and construction, the CCP has sought to use the BRI’s overriding objectives to drive economic expansionism for Chinese goods and services. Through the creation of new networks and trade ties with BRI nation-states, Chinese businesses and industries are able to sell goods, penetrate new markets, and dominate economic regions in manners similar or more effectively than the U.S. The goods and services from China also come from businesses owned by the CCP. This provides the CCP with strong economic leverage over the nation-states it trades with and creates conditions that unfairly advantage the CCP in pricing goods and controlling economic markets. This economic power dynamic also provides the CCP with direct insights into the economic conditions on the ground in varying nation-states and influences the manners the CCP engages in other areas of nation-to-nation engagement, whether it be political or militarily reliant. The CCP’s open access to new markets allows for China to wield economic forces within a sovereign nation-state and potentially dictate the economic trajectory in manners advantageous to China in the long run. This provides the Chinese government the opportunity to introduce new economic models and currencies, eroding the utility and value of the dominate U.S. dollar in developing and emerging markets.  

Furthermore, the economic expansionism afforded through BRI allows for China to diversify its economy, expand its supply chain networks to other

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nation-states with different natural supplies and resources, and drives geopolitical objectives in the short and long-run.

Political Diplomacy

The CCP being empowered to influence geopolitics is a key reason for the establishment of the BRI. It provides the CCP with the ability to influence domestic events and political developments within nation-states participating in the BRI initiative and furthers the web of ties the CCP seeks to establish in order to contest U.S. power on world stage. China’s instrumental role in the investments of modern infrastructure within BRI nation-states allows for the CCP to have a direct opening with top officials and government leadership of participating nation-states and provides CCP officials with ample opportunities to influence debates and decision-making processes in government institutions worldwide. This is an essential component of BRI, for it allows China to direct political events in manners the CCP has long sought to achieve following decades of limited power and shame in international relations. The ability to wield power and orient political events in China’s favor directly serves the BRI’s overarching objectives which all serve, in one way or the other, the challenging of U.S. power in the international order system. An Indo-Pacific region less reliant on the U.S. and oriented towards China’s BRI centers the CCP’s role in the economic, political and military affairs of the region, and further erodes the necessity of American power in the broader international system. The BRI’s far-reaching web links push this narrative further and works to erode U.S. power in Africa, the global south and other developing regions and parts of the world, through concerted anti-U.S. efforts.
The Quad

To contend with BRI, the United States has increasingly made overtures towards Asian nation-states and regional partners in the Indo-Pacific. One of the most significant overtures to date has been the establishment of deeper ties between India, Japan and Australia with the U.S. The United States, focused on contesting China’s rising influence, organized the nation-states pairing under the alliance umbrella known as “The Quad,” as more formally known as the Quadrilateral Security Dialogue. The Quad’s pairing brings together the most powerful democratic nation-states in the region and establishes shared goals and security commitments amongst participating members. From promoting a free and prosperous Indo-Pacific, to defending the rules-based order of the present international system, the Quads’ guiding premise is the contest China’s rising influence and instrumentally affirm the commitments free and democratic nation-states have for the maintenance of the world order. Loosely established in the early years of the 21st century, the Quad has since formally established relations with participating nation-states in 2017 and holds a number of regular meetings, military exercises and diplomatic engagements to demonstrate shared resolve for collective peace and security in the Indo-Pacific region. The Quad’s organizational commitments provides the U.S. along with its democratic partners in the region, the opportunity to counterbalance China’s growing influence while bolstering the military positioning and capacities of democratic defense systems. Increased cooperation amongst democratic nation-states and security partnerships that encourage collective action for collective security, allows for the U.S. to boost military personnel presence in the region and position American military
equipment, ships and military bases, within the islands, territories and lands of allied nations-states.

India

In India, the world’s largest democracy by population size, the U.S. finds an ally with shared democratic values and vast growth potential. India is a nation-state with more than 1.4 billion citizens and presently experiences fast-economic growth conditions and a trajectory of development that positions India as a potential rival to Chinese power in the Indo-Pacific.69 In recent years, the U.S. has sought to strengthen relations with India in order to counteract China’s vast economy and contain growing concerns of Chinese military expansion in the South China Sea, and potential future expansions into the Bay of Bengal, Andaman Sea and other critically important bodies of water within the Indo-Pacific region. India is a willing partner in the fight to contain China in the region and actively supports U.S. efforts to maintain stability, prosperity and openness amongst the peoples and nation-states of the Indo-Pacific.70 The relationship between the U.S. and India has deepened in recent decades, with economic investments, trade and military cooperation incrementally increasing throughout the years as the two strongest democratic nation-states manage the unique challenges of democratic governance within their domestic homelands. India, though not as modern or developed as China, holds

great potential for growth in the coming decades, and willingly works with the present international system to encourage stable economic growth, democratic institutionalism, and opportunity expansion for the citizens of the Indian nation-state.\textsuperscript{71} A Indo-Pacific where the most populous nation-state is a democracy rather than a communist state, as is the case with China, would organically assist U.S. policies in the region and orient the causes of the democracy as strong and resilient forces for the foreseeable future.

Japan

For Japan, the two nation-states share a commitment to democracy, human rights, and the rule of law — bedrock tenets for the prevalence of democratic liberalism within their respective homelands and regional neighborhoods. The U.S. is seen, in the view of Japanese government officials and leaders, as a stabilizing force in the region, and as a reliable partner for national security assurances of the Japanese people and their collective interests. In recent years, as China rose as a military power, Japan’s concerns grew exponentially, with disputed islands currently governed through Japanese administrative authority, increasingly contested by the Chinese Communist Party. In addition, Japanese concerns over the growing authoritarian nature of Chinese President

Xi Xinping and the Chinese Communist Party, worries Japanese officials given the implications these developments will conjure against democratic systems in the region.

Japan and China also share a complicated history, with Japanese colonization of parts of China in the late 19th and early 20th centuries, as well as Japan's invasion of China during World War II, stoking further divisions amongst the Chinese and Japanese peoples. Japan’s historically conflicts and totalitarian control of China in years past, has left deep wounded scars in the collective psyche of the CCP and Chinese people. As China rises as powerful nation-state with capabilities to invade neighboring nations, the Japanese have bolstered their military capabilities and continue to actively increase their investments in military equipment for optimal readiness against an assertive China. Japan’s participation
in the Quad naturally marries Japanese interests with the U.S.’s pivot to the East, and builds on the shared goals of democratic nation-states in the region.

Australia

Relations between Australia and China have increasingly become strained due to Australia’s willingness to criticize human rights abuses and undemocratic practices caused in large part by the Chinese Communist Party and their authoritarian institutions in the domestic Chinese Mainland. The Australian government has taken a strong stance on human rights issues in China, including concerns over the treatment of ethnic minorities in Xinjiang and Tibet, as well as political freedoms in Hong Kong being severely diminished due to recent administrative takeovers of the CCP within the municipal bodies of the Hong Kong region. In turn, China has taken various actions to punish Australia in recent years in response to the Australian government's criticisms of China's human rights record, security policies, and other issues.

Some of the measures that China has taken include trade sanctions, diplomatic boycotts, propaganda campaigns through media, and economic pressure. Trade sanctions: China has imposed tariffs and restrictions on Australian exports, including coal, barley, wine, and other products, in response to Australia's calls for an investigation into the origins of the COVID-19 pandemic. Diplomatic sanctions: China has reduced high-level official visits and exchanges between the two countries, as well as recalling its ambassador to Australia for consultations whenever Australia elevates an issue pertaining to CCP activities. Propaganda and media campaigns: China has launched media and propaganda campaigns to criticize Australia and undermine its reputation in the international community of nation-states. Similar to tactics used for Taiwan, the CCP
deploys propaganda tools to erode support for nation-states in the crosshairs of CCP policy. Economic pressure: China has also used its economic leverage to apply pressure on Australian companies, including boycotts of goods and services critical to health of Australia’s economy, and to the growth and broader prosperity of the Indo-Pacific region. Economic pressure campaigns against Australia reveal the bad actor assertiveness of the CCP and their willingness to deploy destructive economic limitations on nation-states with differing value sets from the CCP.

These actions have led to an erosion of China-Australia relations. The Australian government has responded by reinforcing its commitment to its values, strengthening its security partnerships in the Indo-Pacific, and pursuing a more balanced and diversified trade and investment strategy. For the United States, Australia’s inclusion in the Quad helps to expand the reaches of the groups pairing and provides U.S. interest with the broad and comprehensive scope of access they seek in the vast Indo-Pacific region. The Australian government also has vested interested in containing China’s rise given past histories with the Chinese Communist Party and actively sides with the United States, and the modern rules-based order Quad member states seek to maintain for regional benefit.

In January 2023, the Philippines, a nation-state that is not an official participant of the Quad, was revealed to be in earnest negotiations with the United States to grant American military personnel and institutions the right to access military bases and important defense infrastructure within the Philippine nation-state. This development comes as growing concerns on Chinese aggression expands to nation-states not traditionally involved in U.S. military operations or foreign commitments in the Indo-
Pacific region. The ability of U.S. military personnel to operate within the Philippines would allow for American foreign interests to secure access to critically important military bases with geopolitical implications. The U.S. would utilize these bases to build-up their defense capabilities in the region and position the necessary personnel, equipment and resources a potential conflict in the South China Sea or Taiwan would warrant from the U.S. and its democratic allies. Developments to bring more nation-states, such as the Philippines, towards American-led foreign engagements in the region, shows the U.S.’s efforts to operationally establish new ties, partnerships and cooperative agreements with nation-states supportive of rules-based order and the international system that presently underpin developments in economic, political and military affairs.

Chapter VI.

Conclusion

To maintain the rules-based international order that currently dominates international relations, the United States must work to shore-up support for democracy in the Indo-Pacific and strengthen the key democratic practices and institutions that make Taiwanese democracy possible in the 21st century. In the post-WWII world, the U.S. led efforts to reshape international relations in manners biased towards democracy and human rights. After more than 80 years of commitment towards those collective efforts, the U.S. is now faced with an ascendant communist nation-state that is directly challenging those efforts through illiberal means. The CCP, with their sights set on achieving a strong and modern nation-state by 2049, is fully committed to the deliverance of an international system where illiberal politics and communist ideologies reign supreme over democratic pluralism and rules-based internationalism. These efforts stand as antithesis to the U.S.-led world order where democracy and human rights proliferate.

In Taiwan, the rules-based order afforded the Taiwanese government the opportunity to reform its government in the 1990’s and embrace the promise of a

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democratic future where individuality, human rights and freedom prevails strongly in
Taiwanese society. After more than 30 years of democracy in the island nation-state, the
Taiwanese people and its democratically elected government have shown the
consequentially successful outcomes democratic values, institutionalism and governance
deliver for international system.\textsuperscript{75} Taiwan’s success with democracy is a win for the
rules-based order that underpins the modern international system today. It’s why
Taiwan’s continuance with its experiment in democracy matters to international relations,
for it proves the U.S.-led order system delivers tangible progress through democratic
means for nation-states once challenged by illiberal governments. Taiwan’s
transformation from authoritarianism to democracy proves the utility of democratic
practices and ideals in a time of increasingly contention with illiberal, communist
ideologies in the Indo-Pacific and broader international system. The contentious struggle
is amplified by the CCP and their aims to retake Taiwan – an independent and sovereign
democratic nation-state – as part of the Chinese mainland.

For the CCP, the retaking of Taiwan, even if achieved through military force,
stands as a test for its claims over the governance of all of China. This builds on decades
of divorced politics between the CCP and ROC government of Taiwan and the
contentious affairs that continue to dominate the ongoing Chinese Civil War.\textsuperscript{76} But as the
CCP gains power in economic, political and military affairs, with achievement of
multipolarity with the United States in the international system within close reach, the


\textsuperscript{76} Hsieh, Pasha L. “The Taiwan Question and the One-China Policy: Legal Challenges with Renewed
ROC government in Taiwan will increasingly be pressured to capitulate to CCP demands and lose advantageous positionings against the powerful communist nation-state. This will weaken Taiwan’s positioning when negotiating its democratic future in potential conflict with the CCP and underscores the important role the U.S. must play in avoiding democratic decline in the Taiwanese nation-state.

The U.S., one of the world’s strongest democratic nation-states, has sought to build a world where democratic values and institutions flourish, and authoritarian regimes falter under the weight of democracy’s prevalence. Though democratic values, practices and institutions have been built in service of these aims over the past century, the world is still challenged by authoritarian regimes and illiberal forces that seek to directly contest these democratic developments in the modern international system. Nowhere it this more prevalent than in Taiwan where its democratic way of life is directly challenged by the CCP and its undemocratic ambitions for the democratic island nation-state. These CCP-led developments have brought on a recalibration of U.S. foreign policy in international relations, with U.S. priorities progressively shifting way from Middle Eastern conflicts and terror related affairs to democratic promotion and military build-ups in the Indo-Pacific and broader Eastern world.

At the core of America’s foreign policy is the defense of democracy and maintenance of the rules-based international system. Increasingly the maintenance of the rules-based order is standing for the defense of peaceful democratic nation-states under

threat from larger, more powerful, and illiberal nation-states. From Eastern Europe to the
Taiwanese Strait, the U.S. is challenged with defending the continuance of democratic
values, practices and governments under threat from powers seeking to destroy their
democratic utilizations. In Taiwan, the Taiwanese people and government find
themselves faced with such circumstances. The Taiwanese struggle to uphold its
democracy in the face of growing threat from the CCP is not a new feature in
international relations. Democracy has always shared a contentious relationship with
illiberal authoritarianism. Nearly every democracy today stems from a history where
illiberal authoritarianism once dominated the affairs of the respective democratic nation-
states. But in Taiwan, the Taiwanese people and government face a similar challenge but
with unparalleled disadvantages. A powerful PRC with an ambitious CCP political
mandate is now the aggressor in the challenge, with the small island nation-state ill-
prepared for a full-scale invasion from the PRC’s military if conflict was to occur to in
the not-too-distance future. This development has led to the U.S. increasing military aid
and security assistance in recent years, with further U.S. developments in the Indo-Pacific
region revealing the changing dynamics at play in the international system.

America’s pivot to the east is working to bolster Taiwanese democracy and
safeguard the key strengths of rules-based order throughout the Indo-Pacific region.
Through these shifts in U.S. prioritizations, a foreign policy shaped by democratic
defense, and the shoring up of U.S. ties to democratic nation-states and associations in
the region, has been able to materialize quickly at an unprecedented pace. Though
significant headways have been secured when establishing U.S. foreign policy priorities
in the Indo-Pacific, the U.S. has yet to formally state its intention of defending Taiwanese
democracy unequivocally if faced with conflict from the CCP. As the threat to Taiwanese democracy becomes clearer, and the consequential impacts of a potential conflict between the ROC and PRC become more possible as CCP ambitions for reunification intensify, it will increasingly be incumbent on the U.S. to clearly state it intentions with Taiwan and lay forth its overarching vison for U.S. foreign policy in a multipolar world.

U.S. foreign policy today builds on decades of precedence, with U.S. engagements in the Indo-Pacific, particularly with China and Taiwan, being built on consequential agreements, such as the One China Policy and the Taiwanese Relations Act. The U.S.’s adherence to these dual agreements has helped to establish America’s role in the region and has helped to propel the economic conditions of the Chinese nation-state and its historically significant lands and territories from impoverished states to prosperous developments. But as time passes and circumstances change, U.S. foreign policy must correspondingly adapt to new realities. The onset of a multipolar system with a competing power to the U.S. harboring anti-democratic aspirations demands a significant change to U.S. foreign policy. If American interests are to continue to be served in the most optimal manners possible, a democratic world order where rules-based internationalism secures itself as the predominant international system, will need to be prioritized by U.S. foreign policy for the foreseeable future.

In Taiwan, the U.S. is faced with dealing with a dilemma that can lead to risky security challenge between the U.S., Taiwan and the PRC. But as stated through the Taiwanese Relations Act, the U.S. must come to the aid and defense of Taiwan if attacked by the CCP. The One China Policy should not hold more weight in the determination of Taiwan’s fate than the promises the U.S. has long held to defend
democracy in Taiwan and elsewhere in the Indo-Pacific region. A larger, more important struggle of democratic continuance in the face of growing illiberalism and authoritarianism in China should matter far more to U.S. foreign policy interests than adherence to the One China Policy.

Times change, nation-states shift prioritizations in their foreign policies, and in China, an emboldened CCP finds itself ready to reshape rules-based order with an illiberal replacement. Even though the U.S.’s played an instrumental part in China’s modern development, the CCP holds no regard for the U.S. as a world leader in the 21st century. These dynamics should inform democratic nation-states such as Taiwan and others in the Indo-Pacific region on the scope of the challenge they face with a China becoming ever more paralleled in power with the U.S. A multipolar world forces democratic nation-states and proponents of the rules-based order to proactively defend the strengths of the established systems and showcase through action the positive utilizations of democracy in the 21st century.

For Taiwan, navigating these new dynamics will be challenge, but with a democratic partner in the U.S. and other democratically aligned allies in the Indo-Pacific, Taiwanese democracy may soon yet see its greatest day.


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