

# Issues and Prospects of Cross-Strait Relations

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As Mainland China and Taiwan do not recognize one another as a nation, they use the term Cross-Strait, which means the two nations are on different sides of the strait. Scholars started using Cross-Strait relations first, but it eventually became an official term to designate China and Taiwan.

This paper will consider the current issues and future direction of Cross-Strait relations, and their implication on the South Korean national security. The Taiwan Strait is a significant energy transport route as 70%-80% of oil from the Middle East goes through this zone to reach South Korea. Also, as the support extended by the US towards Taiwan is impacting the region the most due to the conflict between the US and China, and as China is North Korea's greatest supporter, South Korea is inevitably involved in the relations.

Every country establishing diplomatic relations with China must break off its relations with Taiwan under the principle of "One-China policy." China claims that the Republic of China ceased to exist with the establishment of the People's Republic of China in 1949. However, Taiwan claims that the government of Republic of China migrated to Taiwan and continued its legitimacy. Chiang Kai-shek's Kuomintang, which was defeated during the civil war between the Communist Party of China and the National Government of the Republic of China, the then central government of China, moved its capital to Taiwan. As for Mainland China, Mao Zedong's Communist Party of China, the winner of the civil war, founded the People's Republic of China, which is a socialist China, and has continued to the present. The People's Republic of China claims that due to the result of the civil war, China does not recognize the Republic of China in Taiwan as a nation and therefore Taiwan is under the jurisdiction of China.

At first, the Kuomintang established its will to recover Mainland China, but it pursued development in Taiwan as the situation was not favorable. Chiang Ching-kuo, who became the

president of the Republic of China following Chiang Kai-shek, encouraged an active economic development of Taiwan and authorized to establish political parties other than the Kuomintang. In 1986, the opposition party named the Democratic Progressive Party was founded. As the Democratic Progressive Party's term shows, this political party announces that Taiwan is an independent nation that is distinctly different from China. Naturally, Taiwan's independence tendency is the identity that maintains this political party. The Kuomintang is based on Mainland China and the Democratic Progressive Party is based on Taiwan's independency. The two parties are distinctive from their roots.

Currently, the ruling party of Taiwan is the Democratic Progressive Party led by Tsai Ing-wen. Therefore, Taiwan's conflict with China is becoming more acute, and even fears of a military conflict are escalating. The competition between Taiwan which emphasizes its independence and tries to get away from China, and the People's Republic of China which tries to force Taiwan into their own framework complicates Cross-Strait relations.

Before examining Cross-Strait relations deeper, the historical relations between China and Taiwan must be understood. In the past, South Korea called the People's Republic of China as Communist China and called the Republic of China as Free China. In August 1992, South Korea established diplomatic relations with Communist China. Taiwan had a legal status as the Republic of China in the international community and was the member of the UN Security Council. But in 1971, Taiwan withdrew from the UN as China advanced into the international community and took the legal status from Taiwan.

Taiwan's official name is the "Republic of China", but only 13 countries recognize this official title. As China joined the international community, Taiwan's position was gradually weakened. Now, it cannot use its official name but a name Chinese Taipei in the international organizations or international sport events. Of course, Taiwan refers the term "Chinese" as "Zhonghua (中華)", while Mainland China refers it as "Zhongguo (中國)." China uses the name Chinese (Zhongguo) Taipei, while Taiwan uses the name Zhonghua Taipei.

In case of the World Trade Organization (WTO), Taiwan participates as an economic bloc. Since Taiwan cannot participate in WTO as a whole country, it divides its economic structures as Kinmen, Matsu, Penghu, and Taiwan islands. On the other hand, the Asian Development Bank calls Taiwan Taipei China. The term "Taipei China" was coined in the hope that "Taipei"

would come before China, such as “Chinese Taipei”, as this was before the current fierce conflict between China and Taiwan. A similar example is the English title of Hong Kong, Hong Kong China.

Taiwan’s area is about one-third of South Korea, and its population is about 24 million. It is a small island with small population, but it is not weak. If Taiwan was in Europe, it would have been a country with considerable area and population. Furthermore, Taiwan’s economic power is 18th place in the world and its per capita income this year exceeded South Korea, marking around \$36,000.

Although Taiwan’s official language is Chinese, it uses the term Taiwanese Mandarin, “Guoyu (國語),” instead of China’s Standard Mandarin Chinese, “Putonghua (普通話),” in order to emphasize Taiwan’s legitimacy. But the language used in Taiwan is Taiwanese Minnan (閩南), so it is impossible to communicate in Standard Chinese without an interpreter. The Kuomintang administration rejected the use of Taiwanese Minnan to emphasize the Chinese legitimacy. But as the president was elected from the Democratic Progressive Party and the Kuomintang from the Mainland became weaker, Taiwanese Minnan started being used more in public offices and schools.

Taiwan is in a geographically significant location. The map shows Japan and Okinawa archipelago next to South Korea and Taiwan is at the end of the archipelago. If Taiwan is dominated by China, the sea next to Okinawa will become China’s territory. In that case, Japan and the US across the Pacific Ocean will not be able to operate on East Asia. This is the very reason why the US cannot give up Taiwan. Just like China cannot give up on North Korea which causes a lot of troubles recently, Taiwan may consider itself crucial to the US, which makes it difficult for the US to turn away from the current issue.

Taiwan’s geographical location is qualified enough to be an exchange center between Taiwan and China, Taiwan and the US, Japan, South Korea and Southeast Asia and other Eastern and Western countries. However, it cannot exert power well enough because it is relatively too small compared with the People’s Republic of China. Taiwan is getting more attention recently because of TSMC, one of the greatest global semiconductor foundries. Taiwan has developed the semiconductor industry and now it became a competitive edge against China. Taiwan considers the industry as the guardian angel of nation, saying “it is not the American weapons that protect

us; it is semiconductor.”

The most important reason for Taiwan to receive the global attention is due to its economic power. Until 2003, Taiwan had a higher GDP per capita than South Korea. Although its economic growth has been sluggish due to various reasons, with the recent success of the semiconductor industry, Taiwan achieved 6% of last year’s economic growth rate and considerable improvement is expected for this year. Taiwan lacks resources, just like South Korea, so it implements an export-led economic policy. Taiwan’s exports this year are expected to reach \$1 trillion, and South Korea’s trade with Taiwan is \$47.8 billion. Such amount is bigger than the sum of trades with the entire nations of Africa and Australia. About 40% of that is semiconductor trade. Therefore, China and Taiwan are important to South Korea. In terms of trade and as a bridgehead for entering Southeast Asia, Taiwan is significant.

TSMC, which recently achieve a higher market capitalization than Samsung, is the most powerful weapon and sturdiest shield of Taiwan. Taiwan’s semiconductor is very important resource in the global market. TSMC not only produces 50% of their products for semiconductor foundries but also 70% for custom non-memory semiconductors. TSMC was founded by a Taiwanese scholar who studied in Texas and came back to Taiwan. In 1987, the scholar established TSMC in the Hsinchu Industrial Park, which is the Taiwanese version of Silicon Valley. Under the full support from the government, TSMC has grown into a world-class company.

Other than TSMC, the No. 1 in semiconductor foundries, there is a company called Foxconn in Taiwan. This company manufactures over 90% of the entire iPhone products. Because it is a manufacturer of Apple, it is not in a great relation with Samsung. But if you think differently, this can provide cooperation space to Taiwanese and South Korean companies in order to jointly respond to American and Japanese companies that are ahead of us in both technology and economic power. On the other hand, Taiwan not only has the foundry process but also has the world-class semiconductor design companies such as MediaTek, so it is capable of batch processing. It is inevitable for South Korea to engage in competition with Taiwan due to their powerful technology, but together, they may be able to create a space for cooperation.

To fully understand Cross-Strait relations, we need to take a closer look at the history of Taiwan. The aboriginal people who originally inhabited the island of Taiwan are the Austronesian. From 1624 to 1662, during the period of expansion of European imperialism, Taiwan was ruled

by the Netherlands and Spain. Later, Zheng Chenggong, a Ming loyalist general who resisted the Qing conquest of China, moved to Taiwan, and grafted the culture of Han during his 21 years of ruling the island. Afterwards, the island was ruled by Qing for 212 years. At that time, the Qing's rule was indirect by dispatching a garrison to Taiwan. As the Qing lost in the Sino-Japanese War, it ceded Taiwan to Japan to be ruled for 50 years.

Unlike South Korea, which was ruled by Japan in a similar period and resisted the colonial rule excessively, Taiwan had almost no resistance against Japan's rule. At that time on Mainland China, the Qing Dynasty fell by the 1911 Revolution and the Republic of China was founded in 1912. In 1921, the Communist Party of China was established. After 28 years of underground struggle, the Communist Party of China finally won the Chinese Civil War between the Kuomintang and the Communist Party of China. On October 1, 1949, the Communist Party of China celebrated its victory and declared the foundation of the People's Republic of China in the Mainland. On December 7, 1949, the defeated Kuomintang retreated to Taiwan and founded the Provisional Government while proclaiming martial law. It continued oppressive rule until martial law was lifted in 1987.

In Taiwan, the conflict between the ruling power from the Mainland and the aboriginal Taiwanese is also deeply rooted. After the defeat of Japan in 1945, the Kuomintang of the Republic of China took over Taiwan. When the Kuomintang of the Republic of China took over Taiwan, the conflict between the aboriginal Taiwanese and the Kuomintang from the mainland began. At that time, the aboriginal Taiwanese were mostly the descendants of the Ming Dynasty. They were the Hans came to Taiwan along with Zheng Chenggong. They called themselves those from inside, Benshengren (本省人). Those who came to Taiwan after 1945, especially those who came with the Kuomintang in 1949 and later were called those from outside, waishengren (外省人). Benshengren and waishengren were in conflict.

In the process of establishing a new government after the civil war, waishengren used force to subdue the resistance of benshengren. This caused the occurrence of the February 28 incident, which suppressed the democratization of Taiwanese natives. The February 28 incident occurred in 1947 remains the most painful incident in Taiwan's modern history, in which the Kuomintang slaughtered unarmed anti-government citizens and buried 600 intellectuals alive during an anti-government uprising against the Kuomintang. After these tragic events, the Kuomintang, which was defeated by the Communist Party of China on the mainland, built the

Provisional Government of the Republic of China in Taiwan and put pressure on beshengren. This was the beginning of Taiwan's internal conflict. The People's Republic of China in the mainland tried to achieve reunification with Taiwan as well, but it instead decided to intervene in the Korean War. The US, which was trying to check Taiwan's reunification with China, signed the Mutual Aid Alliance with Taiwan on March 3, 1954. This was the point when Taiwan became the unsinkable carrier of the US.

Due to such history, the aboriginal Taiwanese were unable to adapt to foreigners suddenly came to the abandoned island of Taiwan and claimed to set the Provisional Government of the Republic of China. Indeed, Taiwan had history of becoming a colony and already formed the "Taiwanese Consciousness". During the Japanese rule, Taiwanese did not strongly resist and therefore Japan was able to rule moderately. This is why Taiwan is often mentioned as the representative example of Colonial Modernity. President Lee Teng-hui, who was a member of the Kuomintang but had a tendency toward Taiwanese independence, also visited the Shinto shrine for worship. Taiwan was liberated in 1945 and the Kuomintang took over in 1949. But the Kuomintang is also foreigners to beshengren. Such opposition against the Kuomintang leads to the Taiwanese Consciousness. Of course, the current Taiwanese Consciousness is dominated by opposition to the People's Republic of China.

The Kuomintang's official name is the Kuomintang of China and it is a political party whose roots were in Mainland China. Therefore, Taiwanese with the strong Taiwanese Consciousness have a fundamental resentment against the party. On the other hand, the Democratic Progressive Party, which emphasizes the independence of Taiwan, recognizes Taiwan as an independent subject, that Taiwan and China are separate nations. The Democratic Progressive Party's "Resolution on Taiwan's Future" declares that the establishment of the Republic of Taiwan is the party's goal. Which means that the party will build up an independent Taiwan.

The political system of the Republic of China, which has settled in Taiwan, is Constitutional Adjudication and Democracy. The President can serve consecutive terms and the system adopt a five-power separation of the Prime Minister-level Executive, Legislative, Judicial, Examination, and Supervisory Boards. In particular, the Examination, and Supervisory Boards are independent systems unique to the Republic of China. All tests and inspections are managed by the state in the sense of systematically eliminating corruption such as traffic in government positions in the past.

As of 2022, it has been more than 70 years since the Kuomintang took place in Taiwan, and its Chinese identity has faded considerably. According to the Taiwanese perception survey results, the percentage of people who identify themselves as Taiwanese continues to rise. Statistics as of June 2022, conducted by the Election Research Center of the National Cheng Chi University of Taiwan, show that 63%–64% of people identify themselves as Taiwanese, the people who are independent from China. The percentage becomes over 70% if people who identify as both Chinese and Taiwanese are added to the number. Overall, more Taiwanese people want to get away from China and as a result, Taiwanese Consciousness has emerged. The Democratic Progressive Party is the one that emphasizes the idea.

Nevertheless, the results of the perception survey on independence always show the largest percentage for the status quo. The reason being while Taiwanese want to get away from China, they know it is not easy. Taiwan could greatly increase its economic power during the COVID–19 pandemic because China’s demand for semiconductor has increased significantly. Ironically, Taiwan relies more on China, the very nation that it wants to get away from. China also banned its people to travel to Taiwan, but their trade volume is only increasing. The Democratic Progressive Party is being vigilant that Taiwan’s economic subordination to China will eventually cause a political subordination and emphasizes the independency. The Kuomintang is claiming that there is no gain from antagonizing China.

China demands that all countries establishing diplomatic ties with China must sever their ties with Taiwan. The US, which established diplomatic ties with China, responded to this by enacting the Taiwan Relations Act in April 1979. The key idea of the Taiwan Relations Act is that the US and Taiwan shall continue diplomatic exchange and that the US can intervene if trouble occurs in Taiwan. The act also declares that the US will sell weapons to Taiwan for protection. But, something happened during the Trump administration that goes beyond the Taiwan Relations Act. President Trump prompted China by calling President Tsai Ing–wen of Taiwan for the first time in 37 years and exporting advanced weaponry to Taiwan.

To the Democratic Progressive Party which suffered from China’s pressure, this was what they wanted; the US being a strong support. This is why the party became more pro–American and pro–Japanese. After Trump, the Biden administration also enhanced Taiwan supports. Taiwan implemented the New Southbound Policy that strengthens trade with Southeast Asia to solve problems occurred due to its distancing from China. This situation is never an easy problem



to solve due to complexly intertwined relations between China's communist government seeking unification, the current ruling Democratic Progressive Party government of Taiwan emphasizing independence, the Kuomintang forces seeking economic development and escaping international isolation through maintaining stable relations with China, and the strategic ambiguity of the United States supporting Taiwan.

Cross-Strait relations have few issues on reunification and independence that are difficult to address. First, one country, two systems based on China's reunification method of the "One-China policy" never changed. Although the Kuomintang in the past agreed to the "One-China policy" and tried to find Taiwan's identity in that method, the Democratic Progressive Party refuses that framework itself. Also, in case Taiwan declares independence or acts equivalent to independence, such as amending the constitution or using the national title of the Republic of Taiwan, and in case a foreign influence, the US, intervenes or continues to delay reunification negotiations, China will follow its basic principles of exerting force.

However, the Xi Jinping regime added more to such basic principles. China expanded its scope of using force in the cases when foreign troops are deployed on the island of Taiwan, when Taiwan begins research or development of nuclear weapons, or when a disturbance occurs on the island (the rules of disturbance are not defined). The problem is that the US promised to aid Taiwan with force under six assurances in a secret letter delivered to Taiwan in 1982. In addition, in 2016, The Trump administration redefined that the US shall officially guarantee Taiwan's safety and regard the nation as an important country in the Indo-Pacific region. Therefore, a problem in Taiwan will eventually lead to a conflict between the US and China.

Here, a dispute around the "One-China policy" must be understood first to see the US-China relations. The "One-China policy" that China and the US claim are not the same. Although China claims that the US agreed to the "One-China policy," the US only agreed to the fact that the People's Republic of China is the only legitimate government of China while opposing the unilateral changes in Cross-Strait relations. This is the US version of the "One-China policy." In other words, the US is against any acts that would change the current Cross-Strait relations. This is the very reason why the US and China are remain apart on the Taiwan issue.

China and Taiwan have Taiwan Strait in between. China checks on the US via the Anti-Access Area Denial (A2/AD). It was a strategy preventing the US to enter the first island chain, but nowadays, it also means a strategy preventing China to come out of the second island chain



in the perspective of the US. The US claims freedom of navigation in the South China Sea and wants to enter the first island chain. China already established the aircraft carrier program of three carriers: Liaoning, Shandong, and Fujian.

Then what is the implication of Cross–Strait relations on South Korea? In 1992, South Korea established diplomatic ties with China and agreed that the People’s Republic of China is the only legitimate government of China. However, economically, opinions must be set forth more freely in this issue. China and Japan are in a vigorous exchange despite the fact that they are confronting one another on the issue of Senkaku Islands. South Korea does not have to regard China too much to neglect the importance of Taiwan.

If military matters occur in Cross–Strait relations, the US will naturally intervene and Japan will not be free from the issues. The US will intervene in order to protect Taiwan and 8 USFK bases in Japan as well as Pyeongtaek base in South Korea will redeploy military forces in the name of strategical flexibility. In addition, North Korea may witness a Cross–Strait armed conflict and misjudge the situation. With the asymmetric power of nuclear weapons, North Korea may take advantage of situation where the US and China neglecting the issue of the Korean Peninsula. South Korea is not a stranger to this issue.

So, South Korea must always be vigilant about the complex situation regarding Cross–Strait relations. Unlike past leaders, Xi Jinping does not just oppose Taiwan’s independence; he promotes reunification. On the other hand, the US wants to keep China in check. The US wants to utilize Taiwan as its strategic asset while China is using North Korea as its strategic asset. Next to this, Japan is on guard against China’s rise by joining the US. Because South Korea declared to strengthen the ROK–US alliance and China has dissatisfaction and concerns about South Korea’s inclination to the US, China’s operations against South Korea in terms of psychological attack or public opinions may intensify. In particular, whether China has an ability to prevent North Korea’s 7th nuclear test or not can be an important touchstone for the future Korea–China relations. We must prepare flexible policies based on the precise understanding of the complex Cross–Strait relations.

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