

Taiwan Facing the Loss of Diplomatic Allies

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The war currently raging in Ukraine has led to fears that a similar conflict could erupt in the Taiwan Strait. Tensions between Taipei and Beijing have not been this high since the 1995-96 crisis. The issue of Taiwan's status crystallizes, in many ways, the competition between the United States and China in terms of [security](#), [ideology](#) and [technology](#). However, the comparison with Ukraine overlooks the fact that the Chinese Communist Party (CCP) is seeking, above all, to reunify Taiwan without resorting to its armed forces. One of the Communist Party's objectives is to isolate Taiwan diplomatically. The island currently has only formal diplomatic relations with [14 states](#). As Canada works on its Indo-Pacific strategy, it must incorporate the issue of Taiwan's status into its thinking on the future of the international order. Working to have Taiwan join international organizations such as the World Health Organization (WHO) and the International Civil Aviation Organization (ICAO), or join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), would enhance Taiwan's international status and be in Canada's interest. Alternatively, Canada could seek to increase its development assistance to provide an alternative to Taiwan's allies being courted by Beijing.

An Island With a Special Status

To understand Taiwan's status, we must go back to the end of the Chinese Civil War. In 1949, when the victory of Mao's CCP seemed inevitable, the Kuomintang (KMT), a political party led by Chiang Kai-shek, refused to recognize the CCP's victory and found refuge on the island of Taiwan. The parties on both sides of the Taiwan Strait claimed to be the true representatives of China. Several states began to recognize the CCP as the legitimate representative of China. The United Kingdom chose to do so as early as 1950. Canada waited until 1970. The Republic of China, located on the island of Taiwan, continued to sit in the United Nations (UN) as the representative of China until 1971 when the General Assembly passed by a majority vote Resolution 2758 recognizing Communist China as the holder of the Chinese seat in the United Nations. Without the legitimacy of a seat at the United Nations, Taiwan quickly lost the recognition of many states, 75 between 1971 and 2020.

This is because Beijing and Taipei have long recognized the "One China Principle," the idea that the mainland and the island are part of the same ensemble. If there is only one China, there is no agreement on who represents it. Therefore, having formal diplomatic relations with one means not having any with the other. However, following the democratization of Taiwan in the 1990s, the position on the One China Principle changed. While the KMT continues to put forward this principle, its main political opponent, the Democratic Progressive Party (DPP), leans towards the idea of Taiwanese independence and puts forward the use of the term "Taiwan" rather than "Republic of China" to describe the island state. Under this name, President Chen Shui-bian unsuccessfully [applied](#) to rejoin the UN in 2007. The UN objected, citing its adherence to the one-China policy agreed upon in the 1971 resolution. The

current president, Tsai Ing-wen, [considers](#) Taiwan a *de facto* independent state that does not have legal recognition for being a full member of the international community.

A More Assertive China

In response to the election of Tsai Ing-wen's DPP in 2016, who advocated challenging the status quo vis-à-vis China in seek of greater international recognition, Beijing adopted a more aggressive strategy to isolate the island. The Chinese Communist Party clearly [announced](#) that "As long as the DPP is in power, sooner or later Taiwan will have no diplomatic allies." As a result, eight states have switched sides since 2016, the latest being [Nicaragua](#) last December. What distinguishes the present Chinese attitude from earlier periods is the intensity of Chinese Communist Party activism to steal diplomatic allies from Taiwan. This is also true of Beijing's reaction to developing relations – even informal ones – between Taiwan and some European states.

The Communist Party's strategy seems to boil down to using its financial capabilities as leverage. To convince foreign governments to switch allegiance, Beijing guarantees to invest large sums in development aid. In 2016, São Tomé and Príncipe was the first state to end their relationship with Taiwan in what President Tsai characterizes as "[chequebook diplomacy](#)," which she refuses to pursue. It was later revealed that Sao Tome and Principe had [requested](#) approximately \$200 million in financial assistance to maintain official diplomatic relations with Taiwan. More recently, the [Solomon Islands](#) terminated relations with Taipei for \$500 million, and [Kiribati](#) did the same in exchange for infrastructure investments and the acquisition of aircraft and cargo ships. Pressure from Beijing explains why Taiwan now maintains diplomatic relations with only 14 states, mainly in the Pacific and Latin America.

In 2021, the relationship between Lithuania and Taiwan angered the Chinese Communist Party. The use of the term "Taiwan" in naming the building that serves as the unofficial Taiwanese embassy in Lithuania, rather than the more neutral "Taipei," provoked a strong reaction from Beijing. The latter cut off diplomatic and trade relations with Lithuania. In the same year, the strengthening of economic and political ties between Taiwan and other Eastern European states such as [Slovenia](#) and the [Czech Republic](#) also brought threats from the Chinese Communist Party. China's reaction is the opposite of the one it had in 2013 when New Zealand became the first state to sign a [free trade agreement](#) with Taiwan. Since 2016, China has also blocked Taiwan's access to observer status at the general assemblies of UN specialized agencies such as the WHO and the ICAO, which it tolerated between 2009 and 2016. Undoubtedly, heightened tensions in the Taiwan Strait push the Communist Party to adopt a more aggressive strategy to isolate the island state.

The Geopolitical Consequences of This Diplomatic Rivalry

Mainland China is not only seeking to isolate Taiwan by convincing its diplomatic allies to switch allegiance. Its manoeuvres are also part of a broader geopolitical strategy. By convincing [Panama](#) to change its position in 2017, the Communist Party was winning a diplomatic battle and securing a privileged relationship with the government of a state controlling one of the world's [most important maritime trade passages](#). A similar situation is currently at work in the Solomon Islands. After recognizing Mainland China in 2019, the two governments recently signed a security agreement. [A version](#) leaked to the media indicates that Chinese warships would be allowed to dock on the islands and that Beijing could send security forces "to help maintain social order." One of the reasons for the Solomon Islands' appeal is the presence of a deep-water port, a rarity in the region that can accommodate large vessels. In addition,

the presence of Chinese military personnel would pose a [threat](#) to U.S. strategy in the region and Australia, which lies southwest of the islands.

The diplomatic strategy of Beijing and Taipei also has repercussions within the states being courted, where the geopolitical game is exacerbating local rivalries. For example, the recent elections in [Honduras](#) and [Nicaragua](#) took on an international dimension as the primary presidential candidates campaigned on whether to maintain diplomatic relations with Taiwan. The Solomon Islands remains the most egregious recent case. The state capital experienced several days of rioting in late 2021 due to tensions between key political leaders and the state's two main islands over several issues, among them [relations with China and Taiwan](#). Therefore, this diplomatic chess game can lead to real destabilization in the Global South.

International Recognition for What?

As Taiwan has lost a number of allies recently, the question of the value of these states comes to mind. What does Taiwan gain from having so few allies among countries with little economic weight? Taiwan does not indeed receive much economic benefit from having diplomatic relations with these states in terms of trade. According to [Taiwan's Foreign Trade Office](#), Taiwan does not trade more with its diplomatic partner states but rather with large developed economies such as the United States, Japan and China.

What these allies lack in economic terms, they make up for by offering Taiwan a form of international legitimacy. There is indeed a definite advantage to having formal diplomatic allies. The ability to maintain relations with other states remains one of the criteria for statehood under international law, as evidenced by the [1933 Montevideo Convention](#) on the Rights and Duties of States, which sets out these criteria: possessing (1) a permanent population; (2) a defined territory; (3) a government; and (4) the ability to enter into relations with other states. Taiwan meets the first three criteria, but with only 14 diplomatic allies and unofficial relations with several other states, its claim to meet the fourth criterion is vulnerable. Thus, official diplomatic partners help Taiwan's cause by giving legitimacy to claims that Taiwan does possess the attributes of an independent state.

Since Taiwan is not a member of the United Nations and has no related opportunities to participate in its specialized agencies, its diplomatic allies play a crucial role in advocating for its cause in front of the international community. [St. Lucia](#), for example, spoke on Taiwan's behalf at the last ICAO assembly.

The picture is not all bleak, however. Taiwan is a member of international organizations such as the International Olympic Committee, the World Trade Organization, the Asian Development Bank and the Asia-Pacific Economic Cooperation (APEC) forum. According to the [Lowy Institute Global Diplomacy Index](#), Taiwan also has 111 representative offices abroad, putting it ahead of states such as Malaysia, Israel and Norway.

Recognizing the Chinese Communist Party's increased diplomatic offensive since 2016, the United States has strengthened its ties with Taiwan. To this end, the two governments launched the [Global Cooperation and Training Framework](#), a platform that mobilizes Taiwanese expertise to address global issues. Other liberal democracies have followed Washington's lead in strengthening their relations with Taipei. There has been an [increase](#) in visits to the island by European parliamentarians and visits by Taiwan's foreign [minister](#) to European capitals. The response of these states to the Chinese Communist Party's strategy

of isolation explains why Taiwan's economy continues to grow and why the disengagement of its diplomatic allies is [not causing](#) any sense of panic on the island at the moment.

Considerations and Recommendations for Canada

The issue of Taiwan's diplomatic status is not confined to cross-strait tensions. Beijing's strategy to isolate Taipei is part of broader a [security](#), [ideological](#) and [technological](#) confrontation between liberal democracies and revisionist authoritarian states. With the release of Canada's Indo-Pacific strategy, Ottawa must consider the issue of Taiwan's status and incorporate it into its thinking.

While maintaining a clear recognition of the one-China policy, the Canadian government has considerable room to strengthen its ties with Taiwan. In this sense, efforts to include Taiwan in multilateral processes within and outside the United Nations, strategies to strengthen Taiwan's economy, and enhanced technical cooperation should all be part of Canada's strategy towards Taiwan. It should be clear that these measures should not be taken merely to counter Beijing's actions but because they represent real opportunities that are in Canada's interest. The options cannot completely end Beijing's quest to isolate Taiwan. Nonetheless, efforts to foster closer relations between Taiwan, Canada, and other states and maintain Taiwan's existing diplomatic relations may provide it with some room for manoeuvre and serve Canadian interests. At the very least, the more extensive Taiwan's relations with other states, the greater the risks and costs Beijing will face if it decides to use non-peaceful means to reunify the island.

Canada should be more forceful in supporting Taiwan's membership in international organizations whose statutes accept non-state entities. Taiwan's [handling of the COVID-19 pandemic](#) easily illustrates the relevance of having its expertise within the WHO. More broadly, the challenge posed by authoritarian regimes to the [rules-based international order](#) must prompt democracies like Canada to redouble their efforts to define the global norms of tomorrow. In this context, having another democracy, and one that is a champion of [feminism](#), sit alongside Canada in international organizations would strengthen the promotion of norms based on shared values and interests.

Economically, Taiwan and Canada are [ideal partners](#), especially given the structure of their industrial base. Taiwan is Canada's 15th largest trading partner. In a context where diversification of trading partners is an [objective for Ottawa](#), increasing its ties with Taiwan must be high on the agenda. The two governments announced the start of negotiations on a bilateral investment agreement [earlier this year](#). First, however, Canada should focus on bringing Taiwan into the Trans-Pacific Partnership, although this will not be easy since the entry of a new state requires consensus among stakeholders. A recent study [suggests](#) that Taiwan's entry into the Partnership would bring \$1.5 billion in benefits to the Canadian economy. It would also allow Taiwan to strengthen its ties with several Indo-Pacific states.

Ottawa should also seize the opportunity to cooperate on technical matters with Taiwan. The aforementioned Global Cooperation and Training Framework, jointly established by Taipei and Washington, would be an excellent place to start. While Canada is already a partner, it could follow Japan and Australia by becoming a full member. Such a move would send a clear signal of Canadian support for Taiwan.

Electoral interference and information warfare are other areas where cooperation is imperative. Taiwan possesses [extensive experience](#) in this area, and the island has been a [testing ground](#) for Chinese People's Liberation Army tactics in these areas for decades. On the other hand, Canada is just [becoming aware](#)

of its vulnerability. It is now clear that the Chinese government attempted to influence the last Canadian election and the [evidence points in that direction](#). Canada would no doubt [benefit greatly](#) from cooperation in the fight against Chinese interference.

Finally, Canada should use its development assistance in the region to offer an alternative to China and slow the rate at which Taiwan is losing diplomatic allies. The [current situation](#) in the Solomon Islands illustrates that Canada cannot continue to [neglect](#) development assistance. Ottawa allocates only 0.3% of its GDP to aid, according to [Donor Tracker](#). Even the increase announced in the last [federal budget](#) will keep it far from the 0.7% target [set by the UN](#), which many of our partners, such as Germany and the United Kingdom, have reached. There is room for a much more [ambitious](#) development assistance plan. The West's inability to help certain regions prosper necessarily opens the door to China. Development assistance and the national interest are not mutually exclusive, and Ottawa should recognize that it is an essential tool in achieving its international objectives.

As tensions between Beijing and Taipei increase, Canada must be more than a passive witness. The proposed recommendations will necessarily have political costs in relations with Beijing, and Ottawa will need to be able to absorb the short-term costs to achieve long-term goals. This will require political will and resilience. Therefore, Canada must work with like-minded states. Its strategy will need to be based on a worldview that integrates the Chinese Communist Party's new aggressiveness towards Taiwan in the context of its broader challenge to the world order.