

Taiwan and the “New Cold War”

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Introduction

Great power competition has entered a new and unstable phase. With Russia launching an invasion of Ukraine and China launching military exercises around Taiwan, the risk of escalation from great power competition to great power conflict has risen markedly, inviting comparisons with the proxy wars and crises of the Cold War. A precedent for this rupture in world politics may be found in the Korean War, which decisively changed the image of international Communism from a political and ideological threat to a movement that was prepared to expand through armed aggression.

But historical analogies, however suggestive, are not conclusive. The idea of the “new Cold War” has been debated extensively before, and some scholars have argued that the differences [outweigh](#) the similarities. This policy brief focuses on the Taiwan issue, which is a particularly apt case from a methodological perspective because it has persisted from the Cold War to the present day. From a policy perspective, it is also valuable to connect the debate on Taiwan’s security to the debate on the “new Cold War” because the debates have unfolded at the same time, and have focused on the same region, without much in the way of dialogue: [debates on Taiwan](#) have referred to the “New Cold War” only peripherally as a geopolitical setting, and debates on the “New Cold War” have referred to Taiwan only peripherally as one of many points of contention in the U.S.-China rivalry.

This policy brief highlights the main areas of similarity and difference in the dispute over Taiwan between the Cold War era and the present day. It focuses on the periods in which the United States and the PRC were great power rivals (1949-1970 and 2016 to the present). Its finding is that the continuities are at the tactical levels, and that the discontinuities are at the strategic levels. At the tactical level, the United States has consistently feared entrapment; Taiwan has consistently feared abandonment; Washington and Taipei have consistently upheld Taiwan as the ideological rival to the PRC; Beijing has consistently tried to defend its aggression against Taiwan by making the spurious claim that it has the support of the Taiwanese people; the United States has been consistently neutral on Taiwan’s political status. At the strategic level, Taiwan has made a decisive shift away from Chinese nationalism since the Cold War; Taiwan has assumed a greater significance (in relative terms) for the PRC as Beijing has moved away from Maoism and increasingly based its legitimacy on nationalism; Taiwan has become a true democracy; and geoeconomic trends (especially the global dominance of the semiconductor industry) have made the security of Taiwan a vital interest of the United States.

For policymakers, the differences outweigh the similarities. Given Beijing’s heightened sensitivity on Taiwan’s political status and the unofficial character of the U.S.-Taiwan relationship, the fact that Taiwan no longer embraces the One-China principle (as it did during the Cold War) means that reviving a Cold War strategy in the Taiwan Strait would likely trigger a conflict between Washington, Taipei, and Beijing. Recent policy proposals in the United States, such as recognizing the Taiwan or adopting strategic clarity, have Cold War precedents but bear a far greater risk of escalation because they would likely be interpreted by Beijing as an attempt to bring about Taiwan’s permanent separation from China. The strategic importance of Taiwan, on the other hand, means that the national security of the United States rests on the security of Taiwan to a far greater extent than it did during the Cold War. Given the high stakes involved, the policy implication of this finding is that the United States (and the international community more generally) should adopt a status-quo, risk-averse approach that focuses on bolstering support for Taiwan within the framework of the One-China policy.

Continuities

In the dispute over Taiwan, the similarities between the Cold War and the present day are “tactical” in the sense that they capture how the major actors pursue their fundamental interests, rather than how they define those interests. The United States has consistently feared entrapment by Taiwan: starting in the 1950s and continuing to the present day, there has been a concern that excessively strong commitments to Taipei could lead Taipei to use the cover of U.S. support to act in a way that would trigger conflict with Beijing. During the Cold War, this concern was focused on the KMT’s preparations for a counteroffensive against the Chinese Communists, while in the period since the Cold War, this concern has been focused on the possibility of a unilateral declaration of independence by Taiwan. In both periods, the United States has practiced “[dual deterrence](#)” against Taipei and Beijing through a policy of [strategic ambiguity](#). Taiwan, on the other hand, has feared U.S. abandonment ever since the United States [ruled out](#) the use of military force to defend Taiwan in the winter and spring of 1950. When the United States pursued rapprochement with the PRC in the 1970s, the ROC government also feared that the negotiations would come at the expense of its security. The [Six Assurances](#) were intended to address those concerns: they included, among others, the assurances that the United States “has not agreed to consult with the PRC on arms sales to Taiwan” and “will not exert pressure on Taiwan to enter into negotiations with the PRC.” These concerns about abandonment have persisted, such as [in the early months](#) of the Trump administration, when Trump [suggested](#) that the United States was prepared to use Taiwan as a bargaining chip with Beijing on trade. A recent [public opinion survey](#) sponsored by the KMT (which tends to be more skeptical about U.S. support than the DPP is), found that over half of respondents did not believe that the United States would deploy forces to defend Taiwan in the event of a PRC attack.

There are a number of other tactical similarities. In periods of strategic competition with Beijing, Washington and Taipei have upheld Taiwan as an alternative model to the People’s Republic of China. During the Cold War, this was the [rivalry](#) between “Nationalist China” and “Communist China,” between a political economy that preserved capitalism and traditional Chinese culture and a political economy that pursued revolutionary socialism. In the contemporary era, Washington and Taipei have been far more reserved about the influence of traditional Chinese culture in Taiwan, but they have [emphasized Taiwan](#) as the democratic alternative to the authoritarian system

in the PRC, and the cultural rivalry between the two sides of the Strait can still be seen in [Chinese language education](#). Another tactical similarity is that Beijing has tried to give its aggression against Taiwan a veneer of legitimacy by making the spurious claim that its actions are consistent with the will of the Taiwanese people. During the Cold War, Beijing [claimed](#) that 2/28 was a spontaneous uprising by the Taiwanese people in support of Communism. Today, Beijing still [insists](#) that only a small minority of people in Taiwan support independence. There is no historical evidence that Communism was the main factor behind the 2/28 uprising, and [contemporary public opinion surveys](#) in Taiwan have shown that most respondents favor the status quo, a significant minority supports independence, and a small minority supports unification. Another tactical similarity is that the United States has remained consistently neutral on Taiwan’s political status, a position that President Truman first [stated](#) on 27 June 1950 and David Stilwell [repeated](#) in August 2020. This a tactical decision because it creates a [legal basis](#) for the United States to intervene in Taiwan’s defense without violating China’s sovereignty, since the United States does not consider Taiwan to be a part of China.

Discontinuities

The main differences between the Cold War and the present day are “strategic” in the sense of how Washington, Taipei, and Beijing understand this dispute for their fundamental interests. Taiwan’s strategic importance to the United States has risen significantly since the days when General Douglas MacArthur [called it](#) an “unsinkable aircraft carrier and submarine tender.” The geographic aspect is still significant, of course, and [discussions of Taiwan’s strategic importance](#) invariably refer to its position in the First Island Chain. But Taiwan’s dominant position in semiconductor manufacturing and its democracy have elevated its strategic importance for the United States. The Taiwan Semiconductor Manufacturing Company (TSMC) currently [earns](#) over 50% of global revenue in contract chipmaking and almost 90% for the most advanced chips (defined as being under 10 nm). Rick Switzer at the U.S. Air Force Office of Commercial and Economic Analysis has [estimated](#) that the PRC would control almost 80% of semiconductor manufacturing capacity in the world if Taiwan were forcibly unified with the mainland. Steve Blank at Stanford University has [estimated](#) that if the PRC were to cut off the supply of chips from TSMC’s fabs, the civilian and military electronics industries in the United States would need at least 5 years to recover. As Becca Wasser, Martijn Rasser, and Hannah Kelley have written in a [recent study](#) for the Center for a New American Security, “secure access to the output of Taiwan’s semiconductor industry is therefore a strategic necessity.” Moreover, unlike in the Cold War, Taiwan is now a genuine democracy, and the United States’ [support](#) for that democracy is a symbol of the United States’ commitment to the defense of the rules-based international order and to its other democratic allies. These factors mean that Taiwan’s strategic importance for the United States has risen dramatically since the Cold War. At the beginning of the Cold War, the Truman administration [concluded](#) that based on Taiwan’s geography alone, it was important, but not vital for U.S. interests. Now that Taiwan is essential for semiconductor supply chains and Taiwan is a democracy, it has arguably risen to the level of a vital interest.

Taiwan’s strategic importance has also risen for Beijing in relative terms. During the period of U.S.-PRC strategic competition during the Cold War, the CCP sought to prevent Taiwan’s independence, but preventing the independence of Taiwan was arguably less important for Beijing than implementing Maoist ideology on the mainland. Evidence for this can be found in the fact

that Mao [chose to delay](#) the invasion of Taiwan in June 1950 – when it likely would have succeeded – in order to support the North Korean invasion of South Korea as a way of demonstrating his support for the international Communist movement. With the sharp decline in Communist ideology after reform and opening, preventing Taiwan’s independence has [risen dramatically](#) on the list of the CCP’s priorities. Economic development is the other pillar of the CCP’s legitimacy, but under Xi Jinping, economic development has taken a back seat to [national security](#). The dispute over Taiwan has become much more important for Beijing in recent years than it was in the early decades of the Cold War.

For Taiwan, as well, there has been a strategic discontinuity in terms of how the government understands its fundamental interests. During the Cold War, the KMT-ROC party-state prioritized Chinese nationalism above all other considerations, including democracy. Since the Cold War, democratization has led to the decline of Chinese nationalism (including [Chinese identity](#) among the electorate), and there have been regular and peaceful transfers of power between a moderate KMT and a moderate DPP. The current DPP government does not maintain the One-China principle, and even the KMT’s commitment to the “1992 Consensus” (a historic and controversial formulation of the One-China principle) may be in doubt over the long term. Johnny Chiang, the former chair of the KMT, [tried to remove](#) the “1992 Consensus” from the party’s platform, and Eric Chu, the current chair, has [used](#) the evasive language of calling it a “non-consensus consensus” and “constructive ambiguity.” Taiwan no longer defines its interests in terms of Chinese nationalism, but in terms of democracy, prosperity, and anchoring itself in the rules-based international order.

Policy Implications

Taking into all of these continuities and discontinuities into account, the policy implications of this analysis are that the United States and its allies should not attempt to revive a Cold War strategy of containment in the Taiwan Strait. The strategic importance of Taiwan and the catastrophic consequences of a war recommend a status-quo, risk-averse approach that entails increasing support for Taiwan within the framework of the One-China policy. The combination of China’s heightened sensitivity about Taiwan’s independence and Taiwan’s resistance to the One-China principle mean that policies that were feasible during the Cold War, such as diplomatic [recognition](#), would inflame tensions in the Taiwan Strait to the point of a crisis or even a war. Although the One-China policy has a reputation of imposing severe restrictions on U.S. and international engagement with Taiwan, it has proven remarkably [flexible and adaptable](#) in the fifty years since it was first adopted. It also provides considerable scope for increased U.S. support for Taiwan. The [Taiwan Relations Act](#), for example, says that “the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.” That means there is no statutory or theoretical limit to the weapons systems or military training that the United States can provide to Taiwan. Abandoning the One-China policy would be both unnecessary and counterproductive. Many of the recent [proposals](#) for abandoning the One-China policy have the laudable intention of strengthening Taiwan’s defenses, but they are likely to lead Beijing to test those defenses in ways that no one wants to see.