



China-Taiwan Relations Escalate

I. Introduction

Current tensions between China and Taiwan remain a consequential issue in contemporary foreign policy with significant implications for regional stability and global order. In the aftermath of the Chinese Civil War, the People's Republic of China (PRC) and the Republic of China (ROC) emerged as adversarial political entities. While the PRC took control of the Chinese mainland, the ROC has operated Taiwan as an independent state. Although Beijing views Taiwan as a breakaway province due for reunification, most Taiwanese citizens seem to favor maintaining their informal self-governing democracy rather than pursuing unification or formal independence.

However, cross-strait tensions have recently escalated as China expands its military capabilities and ramps up its "grey-use" tactics for reunification, consisting of airspace incursions and economic pressure attempting to gradually weaken Taiwan's political cohesion and resistance without provoking a direct conflict. In response, Taiwan is reinforcing its defense through measures such as expanding its required military service years and adopting an asymmetric "porcupine" strategy to deter potential invasion.

The situation is further complicated by exogenous actors, particularly the United States, whose policy of strategic ambiguity seeks to balance both deterrence and stability. As China and the U.S. competition intensifies, the Taiwan issue has evolved into an increasingly prominent flashpoint surrounding global economic and security implications. Diving into the historical roots of the conflict, current policies and tensions, and potential policy responses will provide more insight into the trajectory of the ever-complex China-Taiwan relations.

II. History

The Chinese Civil War (1927-1949) between Chiang Kai-shek's Kuomintang (KMT) and Mao Zedong's Chinese Communist Party (CCP) serves as the beginning of the cross-strait relations. After Japan's defeat in 1945, the Republic of China (ROC), then under KMT, took custody of Taiwan. At the end of the Chinese Civil War, the CCP gained control over the mainland and proclaimed the land to be the People's Republic of China (PRC). The remnants for the KMT government then fled to Taiwan and established Taipei as the temporary capital of the ROC. To this day, both sides claim to be the sole legitimate government of "All China."

During the outbreak of the 1950 Korean War, the United States, despite previously being hesitant to further intervene in the Chinese conflict, had a change of plan. President Harry Truman had the U.S. Navy's Seventh Fleet dispatched to the Taiwan Strait in order to prevent a PRC invasion, effectively "freezing" the conflict (Glaser & Vitello, 2023).

However, Taiwan faced a shift in international recognition in 1971. The ROC (Taiwan) held the "China" seat at the United Nations (UN) for two decades before UN Resolution 2758, which recognized the PRC as the only legitimate representative of China in the UN and expelled Chiang Kai-shek representatives.

Taiwan then faced further international isolation when the U.S. sought to formalize ties with Beijing to counter Soviet influence. On the 1st of January, 1979, the U.S. officially recognized the PRC and severed formal diplomatic ties with the ROC. Despite this, the U.S. Congress passed the Taiwan Relations Act (TRA) that same year. The TRA serves as the cornerstone of U.S.-Taiwan relations even to this day as it mandates

Washington to provide Taiwan with defensive weapons and states that any non-peaceful effort to determine Taiwan's future would be of "grave concern" to the United States (Kan, 2014).

As tensions thawed in the late 1980s and early 90s, the "1992 Consensus" was conceived as an informal agreement where both sides acknowledged a "one China" but agreed to maintain different interpretations of what that meant. A distinct Taiwanese identity then emerged as the country transitioned into a vibrant democracy, renewing friction with Beijing's "One China Principle" (Copper, 2020).

III. Current Policy

Current Chinese policy towards Taiwan is marked by the "One Country, Two Systems" approach, as applied in other grey-area regions such as Hong Kong and Macau (Ministry of Foreign Affairs, 2026). The principle was first developed by Chairman Mao in 1960 but was later refined and advanced under Deng Xiaoping's leadership. In Deng's formulation, two systems coexist under the sovereign authority of the People's Republic of China: while the mainland operates under a socialist system, designated regions may retain pre-existing capitalist structures, provided they contribute to the broader goal of national unity (Ministry of Foreign Affairs, 2026). This idea runs parallel to that of the "One China" policy, wherein mainland China and Taiwan are one and sovereignty cannot be divided (Curtis, King, and Ward, 2023).

Today, Xi Jinping's policies towards Taiwan reflect this longstanding principle, albeit with notable adaptations. Historically, conflation of the "1992 Consensus" and the "One Country, Two Systems" framework underpinned consistent cross-strait reunification efforts. However, Xi Jinping has departed from his predecessors in a self-described "New Era" of strongman-style personalistic rule (Grossman and Zheng,

2024). Whereas previous leaders including Deng Xiaoping, Jiang Zemin, and Hu Jintao adopted comparatively flexible approaches to reunification, Xi has elevated Taiwanese reunification to a central pillar of his "China Dream" of national rejuvenation by a 2049 milestone (Grossman and Zheng, 2024). In particular, Xi emphasizes the prevention of formal Taiwanese independence (de jure secession) as a core cross-strait policy priority.

Xi's policies can be characterized by a two-pronged approach split between "soft" and "hard" policies, inspired by Lin Chong-pin, former deputy defense minister of Taiwan's expression, "Hard gets harder, soft gets softer" (Liu, 2024).

Beijing's soft power policies are aimed at winning Taiwanese society through a "hearts and minds" approach. In contrast to Hu Jintao's policies, Xi-era policies specifically target Taiwan's most resistant demographics (Liu, 2024). Under the "Three Middles and One Young" policy, Beijing aims to reeducate key demographics that have typically been pro-Taiwan independence including middle and lower social classes, small to medium enterprises, and Taiwanese youth (Liu, 2024). Notably, these policies arose after the 2014 Sunflower Movement, a mass social protest movement mobilized around anti-PRC influence and pro-Taiwanese independence. In the aftermath, Taiwanese youth became widely characterized as a "naturally independent generation," with prevailing stereotypes depicting them as green-leaning, pro-independence, and anti-China (Nachman, 2023).

At the same time, Beijing has persisted with hard offensive policies targeted towards the Taiwanese government, especially the Democratic Progressive Party (DPP) under President Tsai Ing-wen and Vice President Lai Ching-te. Since Tsai's inauguration in 2016, Beijing has suspended official communication with Taipei. Formal exchanges between key institutions on both sides were halted, rendering previously

established channels, such as high-level hotlines, effectively obsolete (Liu, 2024). Even during periods of acute tension, including the August 2022 crisis following Nancy Pelosi's visit to Taiwan, no meaningful communication occurred. Cross-strait exchanges also declined: Chinese tourism to Taiwan dropped sharply in 2016, and the COVID-19 pandemic further disrupted travel and trade (Liu, 2024). Limited regional links between offshore islands and mainland China were severed in 2020 and only resumed in 2023.

One key aspect of Beijing's legal offense is the 2005 Anti-Secession Law (ASL), which formalized China's stance against Taiwan independence, and essentially authorized the use of "non-peaceful means" if separation were pursued (Lai, 2024). The law provoked strong backlash in Taiwan, including a government-led nationwide protest. It also prompted a rare joint response from the United States and Japan. Widely seen as a reaction to Taiwan's 2003 Referendum Law and subsequent votes under President Chen Shui-bian, the ASL reflected Beijing's fears that referendums could eventually legitimize formal independence, even though earlier attempts failed due to low turnout.

On Taiwan's side, internal chaos creates complications for their strategic China policies. In 2024, legislators from the Kuomintang (KMT) passed the controversial Constitutional Court Procedure Act. The act requires a two-thirds statutory number of Justices to pass a ruling, as opposed to the previous two-thirds of current serving Justices. As a result, legislators having a stronghold over nominations leaves legal ambiguity, as a law's constitutionality would be more difficult to determine under the new requirements (Tai, 2025). A weakened court diminishes Taiwan's institutional resilience, which Beijing has long regarded as a key deterrent against coercion and provides the weakening KMT a countermeasure against the ruling party. The

inability to enforce constitutional checks may embolden Chinese political influence operations and gray-zone strategies, allowing Beijing to exert pressure without overt military action.

Taiwan's economic relationship with China has also long shaped its domestic politics and strategic choices. China is Taiwan's largest trading partner, accounting for a significant share of Taiwanese exports and investment flows. This deep economic interdependence has generated prosperity, but also strategic vulnerability: heavy reliance on the mainland limits Taipei's room for maneuver in foreign and security policy (Brown and Sageman, 2019). In response, Taiwan has pursued diversification strategies through the New Southbound Policy (NSP), launched under President Tsai Ing-wen. The NSP aims to reduce Taiwan's economic dependence on China by expanding trade, investment, education, and people-to-people links with countries in Southeast and South Asia, Australasia, and South Asia. It prioritizes collaboration in technology, innovation, tourism, and human capital development, moving beyond narrow export targets to build more resilient partnerships.

Internationally, Taiwan's ambiguous status complicates its diplomatic position. Most countries do not formally recognize Taiwan as a sovereign state, yet maintain unofficial relations under frameworks such as the Taiwan Relations Act in the US (Bush, 2004). Japan also maintains a close relationship with Taiwan, providing one of the highest numbers of inbound visitors to Taiwan in 2023 (Wilkens, 2012).

IV. Current Tensions

Taiwan's reactions toward Chinese reunification plans have both suggested escalating cross-strait tensions and Taiwan's acknowledgement of their current weakness in both their strategy and preparation for invasion. In December of 2022, Taiwan

announced plans to extend compulsory military service from four months to one year due to threats from China (Wang, 2022). The four month program, described by some as a “summer camp,” was only a basic training course lacking contemporary weapons and first aid training, and thus failed to provide combat readiness (Davidson, 2021).

Furthermore, compulsory military service was highly unpopular among Taiwanese youths and the volunteer army struggled to maintain numbers (Dotson, 2024). Two years later, in January of 2024, the new yearlong program began. The extension of compulsory military service depicts the shift from a symbolic program to serious conflict preparation and is evidence of Taiwanese response to cross-strait tensions.

Taiwan's increasing concern with the threat from China is not unfounded. Reviewing recent bilateral events, China-Taiwan relations appear to be locked in a see-saw of deterrence or intimidation where any show of power or independence is met with opposing force of power. In 2022, Beijing launched war games targeted towards Taiwan following United States Speaker of the House of Representative Nancy Pelosi's visit to the island. In 2025, Taiwan's Han Kuang exercises mobilized over 20,000 reservists and included live fire scenarios, emergency response simulations, and integrated civilians for the first time (Burtsev and Golod, 2025). Beijing responded with war games in December of that year, the largest since the one in response to Pelosi's visit (Maizland and Fong, 2026). China's actions have repeatedly shown that any Taiwanese progression toward independence will be met with Chinese action.

Beijing has long offered 'one country, two systems' autonomy to Taiwan, the same model which Hong Kong follows which would protect the island's economic and political systems with a “high degree of autonomy.” Such a framework is incredibly unpopular among Taiwanese people in part because of Beijing's recent crackdown on

freedoms in Hong Kong and no major Taiwanese political party supports it (Maizland and Fong, 2026; Reuters, 2026). More recently, facing the energy crisis following the closure of the Strait of Hormuz, Beijing has also tried to convince Taiwan on the benefits of reunification, offering “energy stability” to Taiwan if it agreed to rule by Beijing (Reuters, 2026). Taipei rejects both of these offers and has held that only the island's people can decide their future.

In the absence of consensus with Taiwan, China has frequently used grey zone tactics such as airspace incursions, cyber attacks, disinformation campaigns, and economic coercion as a part of the Beijing model for a bloodless takeover of Taiwan. The Beijing model, named after the capture of Beijing by the Communist Party in 1949, calls for the slow erosion of political cohesion, economic independence, and societal confidence (The Economist, 2025). The model promotes desensitization, normalizes pressure, and fragments decision making. The hope is that through the omnipresent possibility of invasion, Taiwan would be convinced that reunification is inevitable (So, 2025).

China's grey zone tactics extend beyond the strait. The country has recently been lobbying Paraguay with incentives to persuade the country to change its stance on reunification. Paraguay is one of only twelve countries with which Taiwan has foreign relations with, and is Taiwan's last diplomatic ally in South America after Panama, the Dominican Republic, El Salvador, Nicaragua, and Honduras all switched recognition following Chinese lobbying and promises of trade and infrastructure. In late 2025, Paraguay's opposition leader went on an all-expenses-paid tour of China and was convinced that Paraguay was missing out on economic gains by sticking with Taiwan (Desantis and Elliott, 2026). China's Development Bank and Export-Import Bank have loaned more than \$120 billion since 2005 to Latin American and Caribbean countries, placing it among the

region's top leaders. More than twenty Latin American and Caribbean countries have also signed on to the Belt and Road Initiative. Since late 2023, 19 lawmakers, 5 journalists, and a rising opposition presidential contender have visited China. Beijing's lobbying—or as the Taiwanese Foreign ministry claims, poaching of Taiwan's allies—appears quite effective. In 2023, the Central American Parliament voted to expel Taiwan as a permanent observer and to replace it with China (Roy, 2025).

In turn, Taiwan has historically pursued a strategy of depoliticization, demilitarization, and deterrence towards China. Like the name suggests, this "Porcupine Strategy" is largely a passive deterrence strategy intended to make it costly for China to invade Taiwan. Elements of the Porcupine Strategy can be seen in the decision to extend compulsory military service, but also in the strengthening of civil defense through civilian readiness workshops and drills (Burtsev and Golod, 2025). However, the Porcupine Strategy also means that Taiwan's military is unprepared to project its metaphorical quills; it must fight all its battles on its own land, forever on the defense (Gregson and Dotson, 2023). Previous strides had been made to strengthen Taiwan's military, including the Overall Defense Concept during President Tsai Ing-wen's term, but did not stick. Today, Taiwan continues to expand the asymmetry of its military by reimagining its annual Hang Kuang exercises, increasing discussion of urban warfare, and the introduction of indigenous military drones (Remžová and Urhová, 2024).

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V. Global Response

The United States

The legal and strategic foundation of U.S. engagement with Taiwan is the Taiwan Relations Act (TRA) of 1979, which was passed by Congress following President Carter's derecognition of the Republic of China. The Act requires the United States to provide Taiwan with arms of a defensive character and to maintain the capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or social, or economic system of the people on Taiwan. ([Congress Gov, n.d.](#)) Critically, the TRA stops short of an explicit mutual defense commitment, preserving the deliberate posture of strategic ambiguity that has defined U.S. policy for over four decades, neither guaranteeing military intervention nor withdrawing the possibility of it. The TRA was intended to secure U.S. ties with Taiwan after President Carter unilaterally terminated the U.S.-Taiwan mutual defense treaty and switched diplomatic recognition to the PRC, and it enshrines into U.S. law that Taiwan's future must be resolved peacefully ([Global Taiwan Institute, 2024](#)).

In practice, this posture has grown more

European states stop well short of explicit security guarantees to Taiwan, and any role in a military contingency would be largely limited to economic sanctions, arms transfers, and political solidarity.

The Ukraine Parallel

No single event has sharpened international attention on Taiwan more than Russia's full-scale invasion of Ukraine in February 2022. The parallels are difficult to ignore: a nuclear-armed autocracy threatening a smaller democracy, revanchist rhetoric about reuniting the motherland, and a leader turning increasingly repressive at home and aggressive abroad (Foreign Policy, 2023). Yet the analogy has practical as well as rhetorical weight. For Taiwan specifically, Ukraine provided a forcing function for defense reform. Public debates about lengthening military conscription increased sharply following Russia's invasion, which renewed discussions about Taiwan's readiness for a potential attack by the Chinese military (CNN, 2022). President Tsai Ing-wen announced the extension of mandatory military service from four months to one year in December 2022, explicitly citing Ukraine's experience. Tsai stated that the decision was inspired by Ukraine's mobilization of its reserve force, which warded off Russian forces from advancing deep into Ukraine and taking Kyiv, suggesting that Ukraine's capacity to resist was tied to sufficient military preparedness (The News Lens International, n.d.).

The economic stakes draw an equal parallel. In the most extreme scenario modeled by Bloomberg Economics, a U.S.-China conflict over Taiwan would cost the global economy approximately \$10.6 trillion, roughly 9.6 % of global GDP in the first year alone, eclipsing the impact of the COVID-19 pandemic and the 2007-09 global financial crisis (Insurance Journal, 2026). This scale dwarfs the disruption caused by the Ukraine conflict. Taiwan produces 92% of the world's most advanced logic chips, and a rough, conservative estimate of dependence on

Taiwanese chips suggests that companies across downstream industries could be forced to forego as much as \$1.6 trillion in revenue annually in the event of a blockade (Rhodium Group, 2022). For European policymakers who learned firsthand how energy dependence on Russia became a strategic liability, Taiwan's semiconductor centrality presents an analogous—and potentially more severe—vulnerability.

At the same time, there are significant differences: Taiwan only has full diplomatic ties with approximately a dozen countries, while Ukraine maintains ambassador-level relations with more than 180 countries, including both China and the United States (United States Institute of Peace, 2026). Taiwan's island geography, furthermore, complicates the logistics of external military resupply in ways that Ukraine's borders did not. These structural differences show that the lessons from Ukraine, while instructive, are not directly transferable and must be adapted to the distinct strategic environment of the Taiwan Strait.

VI. Policy Options

Washington has a legitimate interest in the protection of Taiwan: the latter provides crucial AI components to the U.S., mainly semiconductors, and serves as the last barrier between China and the rest of the Pacific Ocean. The current standoff between the U.S. and China demonstrates striking parallels to the Cold War, with both sides waiting for the other to make the first move. As such, taking precautions is a necessary action.

The first possible policy action with detrimental effects on China and the global order would be a trade blockade. The United States would send its navy to surround the Chinese coast in the East China Sea, blocking exports and imports. While this may debilitate the Chinese economy within weeks, the global reach of Chinese exports renders this action strategically inconsiderate.

Another potential strategy is the deployment of troops in Taiwan, which would serve as effective deterrence against potential Chinese attacks. In line with the precarious and far-reaching nature of this conflict, the U.S. must utilize an optimal and balanced defensive strategy.

VII. Conclusion

Through decades of turmoil, the Taiwanese have been witnesses to a potentially global conflict. Many still identify as Taiwanese, and the internal battle between self- and national identity intensifies for thousands. For both countries, developing a sustainable solution may simply be ensuring that you aren't making the decisions against the ones affected most. Like their parents and their future children, this current group of Taiwanese people face a precarious legacy.