

CHAPTER I

INTRODUCTION

1.1 Background

The relations between the United States of the America (US), People's Republic of China (China), and Republic of China (Taiwan) remained in fluctuation, changing with each presidency and policies. Ever since the decision of the One China, China is the country that is recognized internationally, even entering the United Nations Security Council. Taiwan on the other hand is not recognized as a country, more as an area with another government system that is still considered part of China. Usually, this is recognized with the term One China Policy.¹ US maintained both relations with China and Taiwan, diplomatically with China and non-diplomatically with Taiwan. With both US and Taiwan election in 2008, two new presidents enter the political spectrum of their bilateral relations. The newly elected President Obama, who came from the Democratic Party, defeated its rival McCain with almost 53 percent of popular votes, replacing the Republican President Bush.² Similarly, newly elected President Ma Ying-jeou from the Nationalist Party (Kuomintang [KMT]) defeated the incumbent President Chen Shui-bian from the Democratic Progressive Party (DPP), signaling the change in policies and direction of Taiwan.³ Changes in presidency and parties will change

¹ Jean-Pierre Cabestan, 'Taiwan's Political Development and U.S.-China Relations' in *The Future of United States, China, and Taiwan Relations*, ed. Cheng-yi Lin and Denny Roy. (PALGRAVE MACMILLAN, 2011), pp. 16.

² Philip J. Davies, 'Obama's Electoral Record: The Emerging Democratic Majority?' in *Obama Presidency and the Politics of Change*, ed. Ashbee Edward and John Dumbrell. (PALGRAVE MACMILLAN, 2017), pp. 51-52

³ Winberg Chai, "Taiwan's 2008 Elections and Their Impact on U.S.-China-Taiwan Relations." *Asian Affairs* 35, no. 2 (2008): 83-84.

the direction of the country, not to mention its foreign relations. In this case, the changes between presidents in both US and Taiwan will affect the relations between US, Taiwan, and China, specifically US and China relations.

The US and China relations has been one of the most important bilateral relations in the world as it involves two major power in the 21st century. On one side, US remains as one of the most powerful country in the world leading with its economy and military forces. On the other side, China quietly emerged as the rival to US as an emerging market with rapid growth and the country with the largest population.⁴ Before Obama, President Bush policies towards China still remain similar to its predecessor, with ideas of democratic agenda towards China.⁵ Not to mention, the increased WMD proliferation and issues with North Korea still remain as interests among China and US.⁶ Under the Obama administration, US and China relations are mostly based in economic cooperation while security and political aspect of the relations remained in competitive side, slightly increased in several aspects. US and China economic cooperation started since the 1990s, when China started to open their market and US opened up relations to them.⁷ US is the largest investor in China and made their presence known by increased amount of FDI and MNCs in China. Yet, US did not underestimate China one bit. US considered China

⁴ Xie Tao, *U.S.-China Relations: China Policy on Capitol Hill*. (London: Routledge, 2010), pp. 3-5.

⁵ Roberts, Guy, "Toward a New Understanding of George W. Bush's China Engagement: Case Studies of George W. Bush's First Term China Policy." *Australasian Journal of American Studies* 33, no. 2 (2014): 69 <http://ezproxy.library.uph.edu:2056/stable/44706157>.

⁶ Roberts, *Toward a New Understanding of George W. Bush's China Engagement: Case Studies of George W. Bush's First Term China Policy*, pp. 72-78.

⁷ Zhao Shuisheng, 'Implication of China's rise for U.S.-China relations' in *China-US Relations Transformed: Perspectives and Strategic Interactions*, ed. Zhao Shuisheng. (Place of Publication Not Identified: Routledge, 2009), pp. 7-8.

as one of the world leading economies, almost to the point of rivalling the US.⁸ In addition, US had to launch the Trans-Pacific Partnership (TPP) as balancing measure to counter China's growing expansion of economy in Asia and in global trade. In 2017, the TPP accumulated almost forty percent of global trade excluding China who was not the member of TPP.⁹ Economically, we can see the growth of economy from interaction between China and US. Nevertheless, it cannot be said the same from the political and security side of the relations. Under Obama administration, US has focused their effort as pivot or rebalancing action against China's growing influence and expansion in the Asian region. There is security dilemma present in the region that drive Obama administration intensified action in Asia.¹⁰ Not to mention, whenever Taiwan is mentioned, US and China relations become very fragile and risky. Confrontation among each other is avoided as much as possible but there is still underlying concern between US and China relations because of the presence of Taiwan in the equation.

US Taiwan relations still remain at non-diplomatic level due the One China policy that was supported by US President Nixon with the diplomatic document issued during Shanghai Communiqué in 1972. The relations started to normalize within the boundaries of non-diplomatic with the adoption of Taiwan Relations Act in 1979 that was substantial to the US Taiwan relations marked by the creation of

⁸ Niels Bjerre-Poulsen, "'Here, We See the Future': The Obama Administration Pivot to Asia' in *Obama Presidency and the Politics of Change*, ed. Ashbee Edward and John Dumbrell. (PALGRAVE MACMILLAN, 2017), pp. 313-314.

⁹ Bjerre-Poulsen, *Obama Presidency and the Politics of Change*, pp. 317

¹⁰ James Johnson. *The United States–China Military and Defense Relationship during the Obama Presidency*. New Security Challenges. (Palgrave Macmillan, 2018), pp. 2-3.

de facto embassies.¹¹ US sees Taiwan as a sub-sovereign state, maintaining economic and security related relations even until the Obama presidency. There has yet much changes between Obama administration and its previous administration, with commercial ties in export and import still maintained.¹² The relations only got to a better position because US government chose to cooperate more with President Ma compared to previous president Chen as an ally because of its background with the KMT party.¹³ Economically, both countries enjoy trading and foreign direct investment in the scope of military arms, a feat that disturbs the already fragile US China relations.¹⁴ In terms of security relations, US and Taiwan relations heavily depended on the US protection for Taiwan from China's rise but with a safe distance. US interests in protecting Taiwan heavily influenced by the rise of Taiwan and China interdependence in economy and politics. It is within the US interest to maintain the Strait balance among the region.¹⁵ No matter how seemingly small their action was, the US action in regard to Taiwan will have impact to US China relations.

With the different dynamics between US, China, and Taiwan, any action taken by the US in relations to Taiwan will impact US relations to China, especially in the world with growing interdependence among countries. The US decision to return to Asia Pacific as rebalancing strategy to contain the rise of China can be

¹¹ Cabestan, *The Future of United States, China, and Taiwan Relations*, pp. 15

¹² "Taiwan." U.S. Department of State. August 31, 2018. Accessed February 25, 2019. <https://www.state.gov/r/pa/ei/bgn/35855.htm>.

¹³ Cabestan, *The Future of United States, China, and Taiwan Relations*, pp. 23

¹⁴ Chen Ping-Kuei, Scott L. Kastner, and William L. Reed. "A Farewell to Arms?: US Security Relations with Taiwan and the Prospects for Stability in the Taiwan Strait." in *Taiwan and China: Fitful Embrace*, ed. Dittmer Lowell, 221. (Oakland, California: University of California Press, 2017). <http://www.jstor.org/stable/10.1525/j.ctt1w76wpm.15>.

¹⁵ Cabestan, *The Future of United States, China, and Taiwan Relations*, pp. 24-25.

caused by many aspects, one of which the situation and relations with Taiwan.¹⁶ China's increasing relations with Taiwan poses risks to US democratic interest to China, prompting Obama to intensify their actions in Asia, especially increasing ties with Taiwan although without a diplomatic clearance. China also was forced to reconsider their position with the increasing relations among US and Taiwan. They considered the military informatization, which is to increase stream of information and highlight the importance of information for their military.¹⁷ This action is to delay the US military movement and pose threat to US carrier strike groups in the scenario of maritime strike on Taiwan.¹⁸ Therefore, even with its unofficial status as a state, Taiwan's relations with US remains as an important consideration and calculation for US presence in Asia to counter China policies and for the advancement of US democratization in Asia.¹⁹

1.2 Research Question

Based on the information that was previously mentioned, the writer suggests the following research question:

How do US Taiwan relations affect US China relations in terms of security and economic aspect under Obama administration?

¹⁶ Canrong, Jin, School of International Studies, and Renmin University of China. "How America's Relationship with China Changed under Obama." World Economic Forum. Accessed February 25, 2019. <https://www.weforum.org/agenda/2016/12/america-china-relationship/>.

¹⁷ Johnson, *The United States-China Military and Defense Relationship during the Obama Presidency*, pp. 67-68.

¹⁸ Johnson, *The United States-China Military and Defense Relationship during the Obama Presidency*, pp. 69.

¹⁹ Lynn T. White III, 'PRC, ROC, and U.S Interests: Can they be harmonized?' in *Reflections on the Triangular Relations of Beijing Taipei-Washington since 1995* ed. Shiping Hua, (Place of Publication Not Identified: Palgrave Macmillan, 2015), pp. 206-209.

1.3 Research Objective

The objective of this research is to understand and show how a non-diplomatic relation with a *de facto* state can affect a diplomatic relation with a *de jure* state, namely how US Taiwan relations can affect US China relations despite Taiwan is not recognized as a sovereign country and US still recognize One China. The research will see the implication specifically on political, economic, and security aspect of US China relations.

1.4 Significance of Research

The result of this writings focus on giving understanding on the importance of learning and understanding the dynamics and relations of countries and for the International Relations scholar to understand more on how it can affect the geopolitics of the region. We can also see how a major power such as China is affected by their continuous domestic issue with Taiwan since Taiwan is not internationally recognized. The research will explore more on how China's bilateral relations and positions with the US are affected by Taiwan. Moreover, this topic will explore the reason why US still maintain relations with Taiwan to certain extent despite only recognizing One China and was in the position of benefit with its relations with China, another major power in terms of economy and military aspect under the Obama administration. Therefore, I hope that with this analysis and report, not only the scholars in international relations and those who are interested in bilateral relations, but also general audiences who only recognized small portion of Taiwan importance and implication to the global system.

1.5 Structure of Writing

The first chapter, which is the introduction, talks about the background of the thesis topic, research question that the research will address, the purpose of the research and the significance of the research.

The second chapter, which is the theoretical frameworks, talks about the international relations theory and concepts that used as framework to analyze the implications of the US-Taiwan relations towards the US-China relations. It compiles several studies on the concept of power, national interest, and security dilemma that is integral in understanding this research.

The third chapter, which is the methodology, explains the research approach, research method, data collection technique, and data analysis technique used in gathering data and information for the research.

The fourth chapter, which is the analysis, is the peak of the thesis and analysis. This chapter analyzes and presents all the data gathered regarding the implication of US Taiwan relations to the US China relations under Obama presidency in a systematic manner according to the afro-mentioned international relations theories and concept used. The result of the analysis can be used to address the research question of the thesis.

The fifth chapter, which is the conclusion and recommendation, summarizes the analysis of the previous chapters. The chapter will point out recommendations for future studies and comparison to analyze the relations of US and China under different and future administrations.