



# Economic tools and political Purposes----- Case Study of Pelosi's visit to Taiwan

Jichen Wang

Sungkyunkwan University, Seoul 03063, Republic of Korea

wangjichen@g.skku.edu

**Abstract.** The Taiwan Strait has always been a political issue of concern to the international community. In recent years, Sino-US relations have become more sensitive to the Taiwan Strait issue, and the reunification of Taiwan and mainland China has also received increasing attention. In 2022, the U.S. Speaker of the House of Representatives visited Taiwan, and Sino-U.S. relations became tense once again, with the Chinese mainland taking many measures based on economic sanctions, including military exercises and suspension of cooperation to express political discontent. It is of great significance to study the economic tools and political purposes and the connection between them. Economic sanctions are not valid for all kinds of political purposes. Nowadays, making the Taiwan authorities yield through economic tools alone is difficult. It is because stability and peace are still the main aims of mainland China. The generally tough political attitudes of the DPP regime in Taiwan also contribute to the complexity of the Taiwan issue.

**Keywords:** Taiwan Strait, Political Purpose, Economic Tools.

## 1 Introduction

From August 2 to August 3, 2022, U.S. political figure Nancy Pelosi visited Taiwan during her tenure as Speaker of the U.S. House of Representatives, despite stern warnings from mainland China. Pelosi's political position in the United States determines political sensitivity. This is the second time the Speaker of the House traveled to Taiwan since the United States severed diplomatic relations with Taiwan in 1979. Prior to and after the arrival of Pelosi, the Chinese mainland held a series of military exercises against Taiwan. Several official units issued statements expressing their protest, including the Department of Commerce and the General Administration of Customs, which led the import and export departments to launch a series of economic sanctions against Taiwan, mainly by reducing exports and suspending imports. This paper will analyze the political purposes of Pelosi's visit to Taiwan as a case study and discuss the political purposes of the Chinese government through the economic activities undertaken by mainland China.

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## 2 Visit to Taiwan by the President of the U.S. House of Representatives

### 2.1 Reasons for the U.S. Visit to Taiwan

The visit of Pelosi to Taiwan is not the first time a politician from another country has visited Taiwan, nor is it the last. Pelosi's visit also led some European politicians to visit Taiwan, and the U.S. position on Taiwan became critical.

According to a new poll conducted by the Chicago Council in 2021, the American people support a broad range of policies to support Taiwan, with a majority (69%) of Americans preferring that the United States recognize Taiwan as an "independent nation," 65% supporting Taiwan's inclusion in international organizations, and 57% supporting the signing of a "U.S.-Taiwan Compact. of Americans support signing a "U.S.-Taiwan" free trade agreement. Slightly more than half (53%) of Americans support an alliance agreement between the United States and Taiwan, and a relative majority (46%) of the American people support an explicit guarantee that the United States will contribute to Taiwan's defense if the mainland tries to liberate the country by force <sup>[1]</sup> It is clear from this that most Americans favor Taiwan as a nation and support Taiwan's cooperation with the United States.

According to Professor Shen Huiping's analysis, the U.S. political aim of trying to contain China through Taiwan is evident in the Taiwan issue. In late 2016 Trump spoke with Tsai Ing-wen before taking office, the first time a U.S. president-elect had spoken directly with a Taiwanese leader since diplomatic relations were established between China and the USA; soon afterward, Trump told the media that the one-China principle was likely to become a bargaining chip in Sino-U.S. negotiations, openly challenging the one-China principle <sup>[2]</sup>. 2018 as claimed in the January 2018 U.S. National Defense Strategy Report, "In this new environment, the philosophy of U.S. defense strategy is 'compete, deter, and win.'" With this strategic perception and judgment of China, the U.S. government views China as its primary "strategic competitor" <sup>[3]</sup>.

Second, regarding the political system, the U.S. has always had the slogan of democracy, freedom, and equality. Taiwan and the U.S. share the same political system, so ideological opposition is also a fundamental reason for the U.S. to support Taiwan, which is often criticized by the U.S. as an authoritarian government in the context of one-party politics in mainland China, thus highlighting the U.S. democracy and strengthening its political leadership and discourse in the international community. To strengthen its political leadership and discourse in the international community, mainland China is a typical negative case for the U.S. Taiwan, which shares the same political system as the U.S. and has naturally become an object of U.S. support.

On August 2, 2022, President Pelosi of the U.S. House of Representatives arrived at Taiwan's Xiantao International Airport on a particular plane under the world's attention and was greeted and welcomed by the relevant leaders of the Taiwan ministry. So far, there are many different opinions regarding the behavior of Pelosi's visit to Taiwan. It is necessary to understand that as early as before Pelosi's visit to Taiwan, the leaders of the mainland and the United States had a telephone meeting. Mainland officials conveyed a clear position to the U.S. side. The U.S. military also said Pelosi's visit to

Taiwan was not a good idea, then why is Pelosi in the state of mainland China strict wait for the insistence to visit Taiwan? It is vital to understand what he wants to achieve.

First, Pelosi is one of many House presidents visiting Taiwan. As early as 1997, U.S. House President Newt Gingrich also visited Taiwan. Gingrich's visit to Taiwan in 1997 was related to the domestic political struggle in the United States. The U.S. is a two-party country with a two-party political system. Newt, as an essential leader of the then-Republican Party, was in political competition with the then-Democratic Party's Clinton administration, that is, in the context of the Clinton administration's engagement with China and the Republican Party's containment of China, Newt, as a Republican, visited Taiwan, which seriously impacted the three joint communiqués of the U.S. and China, and China expressed its strong dissatisfaction.

Political polarization is a frequent phenomenon in the U.S., and Pelosi, a U.S. No. 3 hardline against China, insisted on visiting Taiwan despite his military's discouragement and the Chinese government's warning to attract votes for the Democratic Party's 2022 U.S. midterm elections. In recent years, the far-left forces in the Democratic Party have been flourishing, and the acceptance of radical ideas is relatively high. Pelosi has used this extreme behavior to increase her Party's support. Some legislators who advocate hardline and American supremacy toward China have supported and even encouraged Pelosi's visit to Taiwan. Pelosi has also received the support of many political neutrals in the U.S. because of China's strong reaction, partially improving the Democratic Party's midterm election declining trend.

Second, in comparing the series of measures taken by the mainland during Newt's visit to Taiwan and Pelosi's visit to Taiwan, it is easy to find that the political purpose of Pelosi's visit to Taiwan was to "test the mainland's bottom line," as early as 1997, during Newt's visit to Taiwan. The Chinese Communist Party newspaper *People's Daily* did not publish Shen's protest. Gingrich's visit to Taiwan did not affect U.S.-China relations either, as Chinese Vice Premier and Foreign Minister Qian Qichen visited the United States in late April 1997; John Shalikashvili, chairman of the Joint Chiefs of Staff, visited China in May; and Jiang Zemin visited the United States in October, the first visit by a Chinese head of state to the United States in 12 years. In response to Pelosi's visit to Taiwan, China responded more comprehensively and multi-disciplinary manner than before, including the suspension of U.S.-China cooperation, the conduct of military exercises, the suspension of exports, and a series of other strong and unprecedented measures. According to relevant scholars in mainland China, Taiwan is of great value in securing China's life and death. For China, Taiwan is a strategic imperative for security and survival, and in a sense, one could even say that without Taiwan, there would be no Chinese maritime defense<sup>[4]</sup>.

## 2.2 A Series of Countermeasures from the Mainland

After Pelosi visited Taiwan, mainland China carried out a series of countermeasures, in addition to military exercises and a series of measures in trade exchanges, of which economic sanctions became the most essential. China's Foreign Ministry officially announced countermeasures against Pelosi's visit, mainly in these eight areas: cancellation of the arrangement of a call between the leaders of the two military theaters of war

between China and the United States, as well as suspension of U.S.-China cooperation in the repatriation of illegal immigrants, U.S.-China cooperation on judicial assistance in criminal matters, U.S.-China cooperation in combating transnational crime, U.S.-China cooperation on counter-narcotics and U.S.-China climate change discussions <sup>[5]</sup>.

First of all, the series of countermeasures carried out by the mainland, including financial measures, are intended to convey political discontent to the U.S. and Taiwan independence activists and warn the Taiwan authorities, but simultaneously limit the sanctions to a certain extent.

Second, pursuing peace and stability in the Taiwan Strait remains the policy objective of mainland China. The white paper stresses that the Chinese mainland is willing to create a vast space for peaceful reunification but will never leave room for all forms of "Taiwan independence" secessionist activities, to continue to strive for peaceful reunification with the utmost sincerity and make the utmost effort, not committed to abandoning the use of force and reserve the option of taking all necessary measures against the interference of external forces and a small number of "Taiwan independence" separatists and their secessionist activities, not against our compatriots in Taiwan. Non-peaceful tools will be the last resort. The situation in the Taiwan Strait has become tense, and the difficulty of reunification has increased. At present, the core political goal of the Chinese mainland is to ensure stability in the Taiwan Strait through a series of countermeasures and military exercises.

Third, a series of sanctions have intensified the development of nationalism within the mainland and consolidated the government's leadership and credibility. The mainland people have strongly supported a series of countermeasures the government took after Pelosi's visit to Taiwan. At the same time, the mainland used economic sanctions to achieve the political goal of reducing the credibility of the Democratic Progressive Party (DPP) in Taiwan. Since August 3, the General Administration of Customs has suspended the import of citrus fruits and chilled white scallops, and frozen mackerel from Taiwan to the mainland. The data in the Taiwan media reports show that Taiwan's exports of aquatic products and related fruits depend on the continent. Statistics from the relevant departments in Taiwan show that among the fresh exports in 2021, the ratio of citrus fruits exported to the mainland was as high as 86%, and the raw or frozen white scallops were 9,146 tons, all of which were shipped to the continent. Moreover, nearly 50% of the frozen horse mackerel sales were sold to the mainland <sup>[6]</sup>. The agricultural export sanctions caused by Pelosi's appearance in Taiwan have caused strong discontent within Taiwan against the DPP.

### **3 How Economic Sanctions Achieve Political Purposes**

The above part briefly discusses mainland China's countermeasures to Pelosi's visit to Taiwan and the related political purposes. This part will explore how economic sanctions achieve political goals and how far should the mainland's economic sanctions go to reach the political goal of Taiwan's capitulation without unduly harming the relationship between the two shores of the Taiwanese Strait.

First of all, economic sanctions to achieve political purposes depend on the level of

political purposes, and mainland China's financial measures against Taiwan are mainly to express dissatisfaction, so it is easy to achieve political purposes. Still, if the political purpose is to force the Taiwan authorities to submit and complete "one country, two systems," it is challenging. For instance, Cuba, Iran, and North Korea have been under U.S. economic sanctions for a long time. Still, they do not pose a severe threat to their ruling authorities. Therefore, if the mainland wants to achieve submission to the Taiwan authorities through economic sanctions, the following conditions should be met: first of all, when the degree of economic sanctions makes the other side face survival difficulties or cannot survive, that is when the other side cannot meet material needs or is under serious threat of survival because of economic sanctions, Taiwan may submit, but in today's conditions of international trade and the development of production technology, taking into account international public opinion and humanitarian appeals, this is also very difficult to achieve.

Second, whether economic sanctions can generate enough pressure or political force in Taiwanese society to overthrow the existing DPP regime. For example, the mainland's economic sanctions have caused a blow to Taiwan's new food industry and lowered residents' income, thus causing discontent and protests against the DPP government. Still, the reality is that the social discontent caused by the current sanctions is far from enough to overthrow its existing regime. For the DPP authorities, if the mainland's economic sanctions may deal a heavy blow to Taiwan's economy, it is more likely that the authorities will seek assistance from the United States and other Western countries to avoid threatening their regime. Therefore, the DPP authorities must decide whether to compromise with the mainland, how to face a series of countermeasures from the continent, and what attitude to adopt to maintain their regime. Another situation that must be taken into account is that the DPP cannot submit to the Chinese mainland because of economic sanctions if the majority of the residents of Taiwanese society consider the act of submission as weakness or traitorous behavior. Thus, although the effect of economic sanctions on the achievement of political ends depends on their impact on them and the level of political ends, in some cases, sanctioning itself is of limited use and does not necessarily achieve the desired political ends.

#### **4 U.S. Position on Taiwan Issue**

The relationship between Taiwan and the mainland is a concern in Asia and the world. The direction of cross-strait relations is a matter of peace and stability in Asia and a reflection of the direction of U.S.-China relations. As an important "frontier position" to contain communism, Taiwan became a key target of U.S. aid as early as the Cold War. According to Taiwan's China Times, the U.S. provided \$30.79 trillion in unrestricted support to Taiwan from 1951 to 1974 [7]. During the Cold War, the U.S. used the economic tools of providing free financial aid to Taiwan to contain and isolate the development of Chinese communism.

The Biden administration began its presidency by releasing a new version of the so-called "Guidelines for Engagement with Taiwan," which significantly relaxed the restrictions on official U.S. contacts with Taiwan. The Biden administration also

continued its policy of regular arms sales to Taiwan. The Biden administration continues to implement a policy of standing arms sales to Taiwan, announcing the entry of U.S. military personnel to the island to assist the Taiwan authorities in defense training, supporting Taiwan's participation in the United Nations system, and inviting the Taiwan authorities to participate in United Nations activities. The U.S. has also invited Taiwan authorities to the so-called "Summit for Democracy" [8].

It is easy to see that in the case of Taiwan, due to the doctrine of nuclear deterrence and the prevalence of globalization on a large scale, the economic measures taken by the Chinese mainland and the U.S. concerning Taiwan are often designed to achieve certain political purposes.

On the Chinese side, after the reform and opening up in 1978, cross-strait economic exchanges and cooperation have been increasing. However, after entering the 21st century, they are still confronted with the serious problem of Taiwan's internal "independence" and the interference of foreign forces. To achieve the political goal of curbing Taiwan's independence, the mainland's economic sanctions against Taiwan have become a punishment. According to a survey conducted by the Taiwan ERA Research Center [9], most Taiwanese are concerned that the mainland's hostile attitude toward Taiwanese businessmen who support "Taiwan independence" will affect Taiwan's economic prospects. Suppose the continent imposes economic sanctions on Taiwan. In that case, Taiwan's trade will bear the brunt, possibly decreasing by nearly one-third, followed by manufacturing and production companies, which will be affected and face closure because they cannot sell their goods. Furthermore, mainland China has become vital in supporting Taiwan's economic growth [9]. Sometimes it is necessary to meet multiple conditions, and the specific situation should be analyzed in the context of the development of events from various perspectives.

## 5 Conclusion

The political purpose of Pelosi's visit to Taiwan includes a test for mainland China and winning votes for her party in the election. From the standpoint of mainland China, it expresses its political dissatisfaction through a series of countermeasures, strengthens the development of nationalism within mainland China, and encourages anti-Taiwan independence activists within Taiwan society to protest against the DPP government. Overall, the approaches are relatively rational, and stability is still the political goal that mainland China is pursuing.

It is difficult to make the Taiwan authorities yield through economic tools alone. The issue between Taiwan and mainland China is an internal matter for China, so it is essential to exclude the intervention of external forces. In particular, we should comprehensively and continuously promote social and cultural exchanges with the American people and, through long-term efforts, continue to expand the consensus between the two sides to achieve positive interaction and mutual benefits between the two countries.

By promoting the healthy and stable development of relations between China and the U.S. rationally and pragmatically, it will effectively alleviate the pressure brought by the U.S. to enhance U.S.-Taiwan relations and challenge the one-China principle

and limit and reduce the U.S. impulse to play the "Taiwan card".

According to a June 2019 survey conducted by National Chengchi University in Taiwan, 56.9% of the public identified themselves as "Taiwanese," 36.5% as "both Taiwanese and Chinese," and 3.6% as "Chinese". The gap between the two identities has further widened the number of persons identifying as "Taiwanese" has increased, and the number of persons identifying as "Chinese in the broad sense" has decreased considerably <sup>[10]</sup>. Therefore, it has become challenging to reunify peacefully with Taiwan by emphasizing its historical identity. Still, relying on economic measures to force the Taiwan authorities to compromise is almost impossible. Although in the newly revised White Paper after Pelosi's visit to Taiwan, the Chinese government states that peaceful reunification is still the current hope, it also makes it clear that the Chinese government will not give up the use of force to interfere. The future of the mainland will consider several factors, such as national security and the international situation.

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