

Book Proposal for Routledge

The Economic and Social Impact of Switching Diplomatic Recognition between Taiwan and China

Editor: Chien-Huei Wu

1. A Statement of Aims / Rationale Behind the Book

Since 1971 with the adoption of United Nations General Assembly Resolution 2758 (XXVI) stating that the People's Republic of China (PRC) is the only legitimate government representing China, Taiwan has struggled to achieve diplomatic recognition and participate on the international stage. During the past five decades, Taiwan (known as the Republic of China or ROC) has lost more than 40 countries as allies, including the United States. Despite Taipei's bilateral and multilateral efforts at both maintaining ties with countries and participating in international organizations and fora, the PRC has continually sought to undercut these attempts and further Taiwan's isolation. Due to the PRC's political and economic influence, the number of countries that formally recognize Taiwan shrunk by half – from 29 to 14 – during the last two decades alone. The fierce Cross-Strait diplomatic rivalry has raged on, especially in traditional Taiwanese strongholds such as Latin America and Oceania, with Taipei attempting to hold on to or establish new allies and Beijing countering with promises of aid, trade, and investment if recognition is denied.

The Taiwan Allies International Protection and Enhancement Act (TAIPEI Act) puts the struggle between Taipei and Beijing for diplomatic recognition in the wider context of the hegemonic competition between Washington and Beijing. The Biden administration has shown increasing support to Taipei's presence in the UN system while reaffirming the US commitment to defend Taiwan. On October 26, 2021, Secretary of State Antony Blinken urged "all UN Member States to join [the US] in supporting Taiwan's robust, meaningful participation throughout the UN system and in the international community, consistent with [the US] 'one China' policy, which is guided by the Taiwan Relations Act, the three Joint Communiqués, and the Six Assurances." But international interest and concern regarding the tension between Taiwan and China is not limited to the US. For example, Lithuania's recent decision to recognize Taiwan and establish a Taiwanese Representative Office has led to severe sanctions from Beijing. And despite China's political protest and economic coercion, the European Parliament adopted in 2021 its first-ever report on EU-Taiwan political relations, expressing support for Vilnius' decision and encouraging closer EU-Taiwan political ties – including changing the name of the European Economic and Trade Office (EETO) in Taipei to "European Union Office in Taiwan" to reflect the broad scope of bilateral ties. On the multilateral front, in just the last three years the "peace and stability" of the Taiwan Strait was discussed and included in statements issued by the US-Japan Security Consultative Committee meeting, the Japan-US Summit, the G7 summit, and the Quad Leaders' Summit.

While the PRC paints a rosy picture of the economic benefits that accrue to countries that turn their backs on Taiwan, it is unclear whether it delivers (Li 2017; Norris 2016). Similarly, the social impact on countries that switch diplomatic allegiance remains understudied. This book is a modest but long-awaited attempt to vet and verify the PRC's claims regarding the benefits arising from establishing diplomatic relations with Beijing. Through the collective efforts of scholars across different disciplines including econometrics, political science,

international law, international political economy, international management, and anthropology, this book offers a birds-eye view of the economic impact of diplomatic switching from Taiwan to China (or vice versa) and examines whether China really delivers on its promise to help the economic growth of countries if they switch their diplomatic alliance.

By offering empirical quantitative and qualitative evidence and analysis of the economic impact, this book sheds light on the issue for policymakers in countries considering such a switch. In addition, this volume looks into the social impact of diplomatic relations with the PRC and helps weigh the economic gains with the political and social costs, revealing the perils of China's foreign aid and the threat of China's economic coercion along with potentially effective policy responses. Finally, as the PRC is using certain Oceanic countries for strategic purposes (e.g. its plan to upgrade an airstrip in Kiribati), this research contributes to a wider appreciation of the role the PRC's diplomatic competition with Taiwan plays in the broader context of its Belt and Road Initiative vis-à-vis the US Indo-Pacific Strategy. In the midst of the US-China trade war and the global Covid-19 pandemic, the book explores possible synergies between diplomatic competition and the race in the technology sector in view of the restructuring of the global supply chain. This book thus moves beyond traditional conceptions of state diplomacy as centering state actors and state-enterprise dynamics.

2. Literature Review

To date, most studies concentrating on the Cross-Strait diplomatic competition remain largely descriptive, with very few examining the economic, legal, social, and political outcomes of switching diplomatic recognition from Taiwan to China or vice versa.

A handful of researchers have touched upon the Taiwan/China diplomatic rivalry by examining Taiwan's legal status and US-China-Taiwan triangular relations in the context of public international law. For example, Lung-chu Chen's (2016) study on Taiwan's statehood under international law comprehensively organizes the historical context of the "Taiwan issues." It focuses on the dynamic US-China-Taiwan relationship, the role of the US's Taiwan Relations Act in supporting Taiwan's involvement in international society, and the right to self-determination of the Taiwanese people (Chen 2016). While his work is one of the most far-reaching studies in the English-speaking world of the nature of Cross-Strait diplomatic conflict, Taiwan's legal status and the issues arising from it, the focus of his study is primarily on public international law, with little in the way of discussion of the impact on countries as a result of diplomatic shifts between Taiwan and China (Chen 2016).

Other studies depict the history of the Cross-Strait competition through the lens of the "China" seat at the UN and UN General Assembly Resolution No. 2758, but again only touch briefly upon the implications for Taiwan of having diplomatic ties with other sovereign states. For instance, Hungdah Chiu's (1989) and Tzu-wen Lee's (1996) works both concentrate on China and Taiwan's competition within the context of the United Nations and examine the importance of maintaining diplomatic allies for Taiwan from the perspective of recognition theory under international law. There is also increasing research tackling the nature of the "One China Principle" asserted by China and the "One China Policy" adopted by other countries. For example, Frank Chiang (2018) discusses the concept of "sovereignty" and "nations" under contemporary international law and takes a legal perspective on Taiwan and the One China policy. Richard C. Bush (2017) indicates that the "One China Policy" should not be confused with the PRC's "One China Principle" because not all countries recognize China's claim of sovereignty over Taiwan. These types of studies are examples of thoughtful

legal and interdisciplinary political scholarship examining the diplomatic competition between Taiwan and China; however, they do not take note of other countries' diplomatic decision-making process in choosing between Taiwan or China from a political or economic perspective.

Some studies do try to shed light on the considerations and motivations of the diplomatic shift between Taiwan and China. For example, some suggest that despite China's rise as a global power, economic considerations instead of ideological factors are the primary driving force for countries that continue to maintain official relations with Taiwan (Rich 2009). In a similar vein, Sara Lengauer (2011) indicates that the provision of foreign aid has been an important tool in serving the ends of Beijing's foreign policy. However, she warns that Chinese aid usually fails to comply with the international norms set by the IMF or OECD since it does not entail conditions for the "better governance" of the aid receiving countries, such as economic transparency, democratization or the rule of law. These analyses come closer to the core question that this book seeks to answer and provide useful starting points for understanding the origin and nature of the "diplomatic war" between Taiwan and China in the context of international legal theories. However, they do not track the economic impact of a diplomatic shift between Taiwan and China on countries so as to offer theoretical insights and empirical inputs to explain those changes.

Moving from the realm of law to works in the field of international relations, in the past two decades the battle between Taiwan and the PRC in securing diplomatic relations has circled Oceanic, Caribbean, and African countries (Smith and Wesley-Smith 2021). Within Oceania, the existing literature widely recognizes that Taiwanese and Chinese engagement in the South Pacific is primarily propelled by their diplomatic rivalry, with economic factors holding less significance (Biddick 1989; Pheysey 1999; Van Fossen 2007; Atkinson 2010b). Some scholarly accounts also hypothesize that the strategic involvement of both countries in the Pacific Islands is a challenge to previously predominant Western interests in the region (Biddick 1989; Pheysey 1999; Van Fossen 2007). For instance, Zhang (2007) and Wesley-Smith (2007) argue that Taiwanese and Chinese alternatives to Western aid benefit the Pacific Islands. Alternatively, there is research to suggest that the diplomatic competition exacerbates local instability and undermines (for example) Australia's conditional aid-based reform policy for the region (Dobell 2007; Atkinson 2007; 2010a; 2010b).

For Latin America and the Caribbean (LAC), scholarship that focuses on the Cross-Strait diplomatic rivalry mainly does so in the context of the rise of China. For example, Mendez and Alden (2021) observe that China has shifted its LAC policy from viewing the region as peripheral to including it in the Chinese "Grand Strategy" – an approach that not only challenges diplomatic recognition for Taiwan but also US hegemony in the region (Portada, Lem, and Paudel 2020). Setting aside a focus on formal diplomatic activities, Alexander (2011) suggests that China has managed to strengthen its political influence and advocate for isolating Taiwan through public diplomacy in countries such as El Salvador. As for countries like Paraguay that have remained (at the time of writing) allied with Taiwan in lieu of availing themselves of seemingly promising Chinese investment, Long and Urdinez (2021) indicate that the rationale behind their decision is one of status-seeking. They indicate that even though the estimated "Taiwan Cost" to Paraguay is high, the relational benefits still offset the macroeconomic opportunity costs of missed Chinese aid and investment.

Finally, in the case of Africa, the existing literature follows the Taiwan-China diplomatic competition along the lines of "dollar diplomacy" (Rich 2009), "public diplomacy" (Cabestan 2016), and economic pragmatism (Anthony and Kim 2018). Despite long-established

Taiwanese official development assistance (ODA) in the region, the PRC's economic incentives (including infrastructure development and comprehensive engagements) have lured an increasing number of African states into recognizing China. As Ian Taylor (2010) argues, as a representative of the Third World, Beijing has created asymmetrical China-Africa relations. Such power dynamics are then utilized to punish Taiwan's remaining ally in the continent, as is evident from eSwatini's exclusion from FOCAC (Taylor 2010).

However, almost no research empirically and systematically investigates the economic impact of switching diplomatic recognition from Taiwan to the PRC (or vice versa) in these regions – let alone across both regions and sectors. This volume therefore aims to fill these gaps in our understanding of the ongoing diplomatic competition between Taiwan and China.

References:

- Alexander, Colin. 2011. "Public Diplomacy and the Diplomatic Truce: Taiwan and the People's Republic of China (PRC) in El Salvador." *Place Branding and Public Diplomacy* 7 (4): 271–88.
- Anthony, Ross, and Yejoon Kim. 2018. "Navigating the One China Policy: South Africa, Taiwan and China." In *Routledge Handbook of Africa-Asia Relations*, edited by Pedro Miguel Raposo de Medeiros Carvalho, David Arase, and Scarlett Cornelissen. Routledge Handbooks. London; New York, NY: Routledge/Taylor & Francis Group.
- Atkinson, Joel. 2007. "Vanuatu in Australia–China–Taiwan Relations." *Australian Journal of International Affairs* 61 (3): 351–66.
- . 2010a. "Big Trouble in Little Chinatown: Australia, Taiwan and the April 2006 Post-Election Riot in Solomon Islands." In *Looking North, Looking South*, 163–88. Series on Contemporary China 26. WORLD SCIENTIFIC.
- . 2010b. "China–Taiwan Diplomatic Competition and the Pacific Islands." *The Pacific Review* 23 (4): 407–27.
- Biddick, Thomas V. 1989. "Diplomatic Rivalry in the South Pacific: The PRC and Taiwan." *Asian Survey* 29 (8): 800–815.
- Bush, Richard C. 2017. "A One-China Policy Primer," East Asia Policy Paper 10, Center for East Asia Policy Studies, Brookings Institute.
- Cabestan, Jean-Pierre. 2016. "Burkina Faso: Between Taiwan's Active Public Diplomacy and China's Business Attractiveness." *South African Journal of International Affairs* 23 (4): 495–519.
- Chen, Lung-chu. 2016. *The US-Taiwan-China Relationship in International Law and Policy*. New York, New York: Oxford University Press.
- Chiang, Frank. 2018. *The One-China Policy: State, Sovereignty, and Taiwan's International Legal Status*. Elsevier Asian Studies Series. Amsterdam, Netherlands: Elsevier.
- Chiu, Hungdah. 1989. "The International Law of Recognition and the Status of the Republic of China." *Columbia Journal of Asian Law*, January, Vol. 3 No. 2 (1989).
- Dobell, Graeme. 2007. "China and Taiwan in the South Pacific: Diplomatic Chess versus Pacific Political Rugby." Lowy Institute Policy Brief. Sydney, Australia.
- Ian Taylor. 1998. "Africa's Place in the Diplomatic Competition between Beijing and Taipei." *Issues & Studies* 34 (3): 126–43.
- Lee, Tzu-wen. 1996. "The International Legal Status of the Republic of China on Taiwan Point-Counterpoint: The International Legal Status of Taiwan." *UCLA Journal of International Law and Foreign Affairs* 1 (2): 351–92.
- Lengauer, Sara. 2011. "China's Foreign Aid Policy: Motive and Method." *Culture Mandala* 9 (2): 5899.

- Li, Mingjiang, ed. 2017. *China's Economic Statecraft: Co-Optation, Cooperation and Coercion*. Series on Contemporary China, vol. 39. New Jersey: World Scientific.
- Long, Tom, and Francisco Urdinez. 2021. "Status at the Margins: Why Paraguay Recognizes Taiwan and Shuns China." *Foreign Policy Analysis* 17, oraa002.
- Mendez, Alvaro, and Chris Alden. 2021. "China in Panama: From Peripheral Diplomacy to Grand Strategy." *Geopolitics* 26 (3): 838–60.
- Norris, William J. 2016. *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*. Ithaca, New York: Cornell University Press.
- Pheysey, Carlos Brian. 1999. "Diplomatic Rivalry between Taiwan and the PRC in the South Pacific Islands." *Issues & Studies* 35 (2): 73–104.
- Portada, Robert A., Steve B. Lem, and Uttam Paudel. 2020. "The Final Frontier: China, Taiwan, and the United States in Strategic Competition for Central America." *Journal of Chinese Political Science* 25 (4): 551–73.
- Rich, Timothy. 2009. "Status for Sale: Taiwan and the Competition for Diplomatic Recognition." *Issues & Studies* 45 (4): 159–88.
- Smith, Graeme, and Terence Wesley-Smith, eds. 2021. *The China Alternative: Changing Regional Order in the Pacific Islands*. 1st ed. ANU Press. <https://doi.org/10.22459/CA.2021>.
- Taylor, Ian. 2010. *The Forum on China- Africa Cooperation (FOCAC)*. New York, New York: Routledge.
- Van Fossen, Anthony. 2007. "The Struggle for Recognition: Diplomatic Competition Between China and Taiwan in Oceania." *Journal of Chinese Political Science* 12 (2): 125–46.
- Wesley-Smith, Terence. 2007. "China in Oceania: New Forces in Pacific Politics." *Pacific Islands Policy*, no. 2.
- Zhang, Yongjin. 2007. "China and the Emerging Regional Order in the South Pacific." *Australian Journal of International Affairs* 61 (3): 367–81.

3. Book Blurb and Key Words

The diplomatic rivalry between Taiwan and China is an unconventional factor for any country's foreign policy. As Chinese economic engagement worldwide becomes increasingly assertive and wrapped in dazzling promises of aid, investment, and infrastructure development, this book both examines the PRC's claim regarding economic benefits stemming from diplomatic recognition, compares such claims against the Taiwanese alternative. Bringing together lawyers, econometricians, international political economists, political scientists, international managers and anthropologists, this book offers an informative and well-researched investigation into the economic, legal, social, and political outcomes of switching diplomatic recognition from Taiwan to China (or vice versa).

Keywords: recognition, economic coercion, foreign aid, global supply chain, international trade and investment

4. Table of Contents

Introduction (Chien-Hue Wu)

PART I: Theoretical Framework

- Chapter 1 – The Peril of China's Foreign Aid (Wen-Chin Wu, Wen-Cheng Lin & Ding-Yi Lai)

- Chapter 2 – The Threat of Economic Coercion by China (Chien-Huei Wu & Mao-wei Lo)
- Chapter 3 – The Economic Impact of Switches in Diplomatic Recognition between Taiwan and China: A Difference-in-Differences Analysis (Jinji Chen & Ling-Yu Chen)

PART II: Regional and/or Sectoral Studies

- Chapter 4 – The Dynamics of Bilateral Economic Relations with Latin America: Taiwan and China in Comparison (Yen-Pin Su)
- Chapter 5 – After Dollar Diplomacy: Taiwan-Africa Economic Relations from Below during the “China-Africa Moment” (Derek Sheridan)
- Chapter 6 – Economic Development and Diplomatic Relations with Taiwan and China in Oceania (Pei-yi Guo, Cheng-Cheng Li & Sra Manpo Ciwidian)
- Chapter 7 – Economic Impact of Engagement with China and Taiwan on Central and Eastern Europe (Ágnes Szunomár)
- Chapter 8 – From Diplomatic Competition to Technological Race: The Role of Taiwanese High-Tech Industries (Kuancheng Huang & Shihping Kevin Huang)
- Conclusion (Chien-Huei Wu)

5. Chapter Abstracts

Introduction

The introduction puts forward the main research question of the volume while addressing the methodological approach of the volume and offers a theoretical framework for the chapters that follow. It reviews relevant scholarly works, underlines the need for filling the gap in the academic literature and explains the contribution the volume makes. It also includes an overview of the chapters and provides a roadmap for readers.

Part I Theoretical Framework

Chapter 1 – The Perils of China’s Foreign Aid (Wen-Chin Wu, Wen-Cheng Lin & Ding-Yi Lai)

This chapter investigates the effects of Taiwanese and Chinese aid on other countries. It analyzes in particular how Chinese financial aid undermines relations between Taiwan and its diplomatic allies. It also investigates how Chinese aid affects Taiwan’s former diplomatic allies’ domestic politics and development, including their accountability and human rights records. It argues that while China uses foreign aid to coax certain countries to cut formal diplomatic relations with Taiwan, Chinese aid may be harmful to the domestic political development for these countries, with consequences including the suppression of political liberty, erosion of human rights protection, and increased corruption. It also discusses the role

Chapter 2 – The Threat of China’s Economic Coercions (Chien-Huei Wu & Mao-wei Lo)

This chapter examines how China uses its economic might to pursue its strategic and diplomatic objectives of isolating Taiwan internationally. It illustrates the two fronts China employs as policy instruments: promising economic benefits to lure Taiwan’s allies away and utilizing sanctions on those that engage with Taipei. It empirically analyzes whether the promised benefit ever materializes and the extent of the effects of the sanctions. While this

chapter provides an overview of China's economic statecraft, it also lays specifies the qualitative analytical groundwork for later chapters that are regional- or sectoral-centered.

of the US with respect to Chinese aid directed to such countries.

Chapter 3 – The Economic Impact of Switches in Diplomatic Recognition between Taiwan and China: A Difference-in-Differences Analysis

This chapter investigates whether there is a significant impact on the economies of countries that switch their diplomatic alliance between Taiwan and China while explaining the methodological foundation for the quantitative analysis portion of the book. Using the GDP per capita in log form sourced from the World Bank Indicators (WDI) and UNData as variables, it adopts the Difference-in-Differences (DID) model to assess the economic impact on countries after they switch diplomatic alliance between Taiwan and China. After a treated and a control country are established, economic comparisons are made by first measuring their difference in economic performance before and after diplomatic ties shift, and then subtracting the two differences (pre- and post-break) for results.

PART II Regional- or Sectoral-Centered Studies

Chapter 4 - The Dynamics of Bilateral Economic Relations with Latin America: Taiwan and China in Comparison (Yen-Pin Su)

Latin American and Caribbean countries have long been an important battleground for Taiwan and China's struggle for diplomatic recognition. As economic benefits are thought to be a critically important factor that influences a country's decision to side with Taiwan or China, this chapter tests two competing hypotheses – whether assistance from Taiwan or China helps promote economic growth. Using the difference-in-difference method, the statistical results show that building ties with China does not always benefit the partner countries' economy. Comparative case studies suggest that while China makes ambitious promises about trade and aid, it oftentimes does not deliver on these guarantees. In contrast, Taiwan helps its partner countries economically by implementing effective programs to meet their needs. This chapter concludes with policy recommendations about how Taiwan should keep crafting particular strategies for strengthening economic relations with Latin American and Caribbean countries.

Chapter 5 - After Dollar Diplomacy: Taiwan-Africa Economic Relations from Below During the “China-Africa Moment” (Derek Sheridan)

This chapter examines the role of private Taiwanese transnational business actors and associations in promoting Taiwan-Africa economic relations and their links and interactions with state-led diplomatic efforts. Taiwanese efforts in Nigeria, Angola, South Africa, Malawi, Burkina Faso, the Gambia and eSwatini are then compared to how Chinese businesses actors and associations have interacted with the Chinese state to illuminate how the two countries differ from and influence each other. Taiwan-Africa and China-Africa economic relations are then examined against the diplomatic politics of China-Taiwan competition in the region.

Chapter 6 - Economic Development and the Diplomatic Relations with Taiwan and China in Oceania (Pei-yi Guo, Cheng-Cheng Li & Sra Manpo Ciwidian)

This chapter examines the political, economic, and cultural dimensions of Taiwan's relationship with island countries in Oceania. While China's emergence in the region has attracted scholarly attention in the past decade, Taiwan's role in Oceania has been little explored in Pacific and Taiwan Studies, and is often sidelined in the discussion of China's impact in Oceania. The chapter first reviews Taiwan's diplomatic developments and challenges in the region. It then examines trade and industry data, discussing the potentials and limitations of Taiwan's economic engagement with island countries (especially in the context of China's presence). Finally, with respect to the cultural domain, it studies the discourse and activities of Taiwan's 'Austronesian diplomacy' and discusses its strengths and weaknesses. By taking an island-centered approach, the authors argue the importance of taking the Oceanic perspective seriously in the above three dimensions, foregrounding the Islanders' view of development, security, sovereignty and mutuality. The chapter ends by suggesting that in addition to traditional geopolitics and donor-recipient model, Taiwan needs to re-imagine its relations with Oceania through the voices within Oceania in order to build a more solid and vital future in the region.

Chapter 7 - Economic Impact of Engagement With China and Taiwan on Central and Eastern Europe (Ágnes Szunomár)

Against the backdrop of warming relations between Taipei and the Central and Eastern European (CEE) region, this chapter aims to examine how the China/Taiwan diplomatic struggle presents itself without formal ties existing between Taiwan and countries in the region. It analyzes the relations between China/Taiwan and three CEE countries (Hungary, Czechia and Poland), including the evolution of their political/diplomatic relations, trade relations, and the trends and characteristics of investments by Chinese/Taiwanese companies. It also examines the effects of China/Taiwan-CEE economic relations (such as increasing trade volumes and investment flows) on the PRC's/Taiwan's image. Using materials like the voting patterns of CEE countries in the European Parliament and documents issued in or signed by CEE countries related to China's Belt and Road Initiative or Taiwan's international position, the chapter concludes with an evaluation of whether China or Taiwan is perceived to be a better partner in diplomatic or business interactions in the CEE as a result of increasing economic activities.

Chapter 8 – From Diplomatic Competition to Technological Race: The Role of Taiwanese High-tech Industries (Kuancheng Huang and Shihping Kevin Hua)

The chapter focuses on the Taiwanese high-tech sector's trading activities and investments in several geographic areas. Against the backdrop of the global supply chain restructuring and the emerging technology competition, it analyzes Taiwan's two representative industries: the semiconductor industry concentrated in the well-established local cluster and the electronics manufacturing industry with a long production history in China, the world's factory. This chapter also investigates the relationship between government interventions and Taiwanese high-tech companies' strategies, business plans, and activities in terms of foreign investments. It aims to provide a much-needed examination of the connection among investment facilitation, technology development, and government foreign policies. It ends by offering policy implications and recommendations to the Taiwanese government concerning official and unofficial foreign relation development in light of the post-COVID era and the rising Sino-US tensions.

Conclusion

The conclusion summarizes the key findings of the volume and points to future directions for academic research and considerations for policymakers in reflecting upon the pros and cons of switching diplomatic alliances between Taiwan and China. The critical elements of the conclusion relate to the promise of economic growth arising from or accompanied by the diplomatic switch from Taiwan to China, the threat of China's economic coercion and the perils of China's foreign aid. Based on the analyses of the regional and sector specific chapters, the conclusion assesses the validity of the claim of China as an opportunity alternative for Western countries.

6. Length and Schedule

This edited volume contains eight chapters averaging 8,000-12,000 words each. The addition of an Introduction and Conclusion of 4,000 words each brings the total word count to around 80,000-100,000.

At present the contributors have finished the first drafts of their individual chapters, which were presented and commented on at a workshop in December 2021. Revised versions will be submitted by January 25th and commented on by policymakers in the subsequent months. An international conference will be held in May 2022 in order to present the revised chapters to scholars and practitioners in the field. The full manuscript will be submitted by September 2022.

7. Definition of the Market

This book is aimed at both academics and practitioners working in the fields of international law and international relations. It will provide in-depth studies related to debates on the economic and social impact of diplomatic switching by countries between Taiwan and China, including how China uses economic statecraft, coercion, and rewards to lure or compel third countries to shift their diplomatic recognition from Taiwan to the PRC and the PRCs' pattern of using unilateral economic sanctions against other countries to achieve its policy objectives. With empirical evidence via quantitative and qualitative analyses across different disciplines, including international law, international political science, econometrics, international management and anthropology, this book fills a long-standing gap in the literature regarding China's diplomatic strategy toward Taiwan's allies and its consequences. Beyond the academic realm, this book is also of critical importance to policymakers not only in countries considering a possible diplomatic switch but also those countries that maintain diplomatic relations with China, since they may also suffer from economic coercion or have concerns regarding China's foreign aid to developing or other countries. Finally, in the wake of US-China trade war and in the midst of a global pandemic, this book will speak to the concerns of the business community in light of the restructuring the global supply chain is undergoing and the critical role Taiwan plays in the strategic semiconductor sector.

8. Competing or Relating Titles

Very few monographs exist in the English-language book market that focus solely on the Taiwan-China diplomatic rivalry and its social and economic impacts. This book will offer a detailed and comprehensive quantitative and qualitative analysis of countries that diplomatically engage with Taiwan or China. From the legal literature perspective, currently *The US-Taiwan-China Relationship in International Law and Policy* by Lung-chu Chen (OUP 2016) is the most relevant publication addressing the US-China-Taiwan triangular relationship. However, Chen's work concentrates on the legal and policy debates regarding Taiwan's legal status and to what extent the US can help strengthen Taiwan's statehood through its domestic

legislation and policy. In addition, while Chen's book was published recently, much has happened in the Cross-Strait diplomatic competition in the intervening five years, including China's rising geopolitical influence and the escalating strategic competition between the US and China, significantly impacting the dynamics of the international system. All of these ongoing developments demonstrate the urgent need to have a new study to fill the gap in academic and policy debates and illustrate the impact of the PRC's aggressive foreign policy designed to marginalize Taiwan on the international stage.

In the context of public international law, a few books partially address the Cross-Strait competition for diplomatic allies, but primarily focus on Taiwan's legal status and statehood. Such publications include James Crawford's *The Creation of States in International Law* (OUP, 2007), Nina Caspersen's *Unrecognized States: The Struggle for Sovereignty in the Modern International System* (Polity, 2012), Frank Chiang's *The One-China Policy: State, Sovereignty, and Taiwan's International Legal Status* (Elsevier, 2018), Steven Mosher's (ed.) *The United States and the Republic of China: Democratic Friends, Strategic Allies, and Economic Partners* (Routledge, 2017), and Peter C. Y. Chow's (ed.) *The "One China" Dilemma* (Springer, 2008). While these publications address the question of diplomatic alliances from the perspective of international law, they do not explore potential further political or economic factors behind diplomatic shifts made by countries and how Taiwan's international status would be affected.

As for publications within the disciplines of international relations and political science, a logical starting point for comparison purposes would be Colin R. Alexander's detailed account *China and Taiwan in Central America: Engaging Foreign Publics in Diplomacy* (Palgrave Macmillan, 2015). While Alexander's book is unique in centering the Taipei-Beijing dynamics within one region, his book examines those issues through a public diplomacy framework. Supported by an impressive trove of data and interviews, Alexander's book comes closest to reflecting the methods and content of our title, while limited in its focus to its particular region and field.

Most other existing books in the social science category address Chinese strategies in a chosen region, with competing Taiwanese approaches relegated to a chapter or only mentioned in passing. A good example would be Anthony and Kim's chapter on "Navigating the One China Policy: South Africa, Taiwan and China" in the edited volume *Routledge Handbook of Africa-Asia Relations* (2018). It probes the decision by South Africa to switch diplomatic recognition of Taiwan to the PRC and reviews South Africa's official and unofficial relationships with both states afterward. But unlike our text, Anthony and Kim do not offer a quantified analysis of the economic aftermath of the switch, an aspect of shifts in diplomatic recognition that is highlighted in our text.

Tarcisius Tara Kabutaulaka's "Milking the Dragon in Solomon Islands" and Takashi Mita's "Changing Attitudes and the Two Chinas in the Republic of Palau" both appear in *China in Oceania: Reshaping the Pacific?* (Berghahn Books, 2010) and debate the costs and benefits of diplomatic relations with China and Taiwan. Jian Yang's "The Taipei-Beijing Diplomatic Rivalry" in *The Pacific Islands in China's Grand Strategy* (Palgrave Macmillan, 2011) also examines arguments that the Taiwan-China strategic competition either benefits the Pacific Islands or exacerbates local corruption. With its extensive empirical analysis on individual national economic development, our title would help resolve these existing debates.

9. Curriculum Vitae and Contact Details (in alphabetical order)

- **Jinji Chen** (jjc@ctbc.edu.tw) is the Dean of the Graduate School of Financial Management, CTBC Business School (Taiwan) and the Deputy Executive Director of the New Frontier Foundation. He has advised Taiwan's Executive Yuan, the Taipei City

Government, and Taichung City Government. He was a visiting scholar in 2017 at the Woodrow Wilson International Center for Scholars in Washington, D.C., and a visiting scholar in 2018 at the National Graduate Institute for Policy Studies (GRIPS) in Tokyo, Japan.

- **Ling-Yu Chen** (silviachen01@gms.tku.edu.tw) is an Associate Professor at the Department of Industrial Economics, Tamkang University (Taiwan). Her research interests span international finance, financial market analysis, and financial economics.
- **Sra Manpo Ciwidian** (sramanpo@hawaii.edu) is a Political Science Ph.D. student at the University of Hawai'i, Mānoa. He holds a Graduate Certificate from the Center for Pacific Islands Studies, U.H. Mānoa, and his research focuses on indigenous sovereignty, indigenous diplomacy, and Pacific Islands studies. He obtained a Master's degree in Ethnology from National Chengchi University (Taiwan) in 2015 and is presently part of the Student Affiliate Program of the East-West Center.
- **Pei-yi Guo** (langa@gate.sinica.edu.tw) is an Associate Research Professor and the head of the museum at the Institute of Ethnology, Academia Sinica (Taiwan). With a Ph.D. in Anthropology from the University of Pittsburgh, she has carried out long-term fieldwork and anthropological research in Oceania, especially in the Solomon Islands. Her research interests include legal anthropology, local currency, cultural governance, cultural heritage, and cultural diplomacy in the Pacific.
- **Kuancheng Huang** (kchuang@cc.nctu.edu.tw) is a Professor at the Department of Transportation and Logistics Management, National Yang Ming Chiao Tung University (Taiwan) and a former senior transport specialist at Asian Development Bank. He obtained a Ph.D. in Civil Engineering-Transportation System from Cornell University, USA. His research expertise includes supply chain management, revenue management and pricing optimization, high-tech innovation and entrepreneurship, and policy and management of air and sea transportation.
- **Shihping Kevin Huang** (ksph@nycu.edu.tw) is a Professor at the Institute of Management of Technology and the Director of the Global MBA Program, National Yang Ming Chiao Tung University (Taiwan). He obtained a Ph.D. (in Economic Development of Japan and Asia) from Waseda University, Japan. His research expertise includes strategic management of technology & innovation and entrepreneurship & innovation.
- **Ding-Yi Lai** (lai.dingyi1992@gmail.com) is a Social Welfare Ph.D. Candidate at National Chung Cheng University (Taiwan). His research interests include comparative welfare states, comparative authoritarianism, and quantitative research methods. He is particularly interested in the development of welfare within dictatorships and its influence on dictators.
- **Cheng-Cheng Li** (ccli@hawaii.edu) is a Political Science Ph.D. student at the University of Hawai'i, Mānoa. He holds a Graduate Certificate from the Center for Pacific Islands Studies, U.H. Mānoa, and his research focuses on Pacific regionalism, Taiwan's foreign policy in Oceania, Austronesian diplomacy, and Pacific Islands studies. He obtained a Master's degree in International Studies from National Chengchi University (Taiwan) in 2018 and a past Graduate Degree Fellow at the East-West Center.
- **Wen-Cheng Lin** (101252504@nccu.edu.tw) is a Political Science doctoral candidate at National Chengchi University (Taiwan). Since 2019, he has been a research assistant at the Institute of Political Science (IPSAS) at Academia Sinica (Taiwan). His research interests include China politics, comparative democratization, political economy, and

Taiwan's populism. His recent work focuses on developing women's empowerment in dictatorships and the effect it has on authoritarian regimes.

- **Mao-wei Lo** (mwlo@stanford.edu) is a J.S.D. (doctor of the science of law) Candidate at Stanford University School of Law. His research interests lie in public international law, international economic law (WTO and investment treaties), human rights law and Cross-Strait (Taiwan and China) relations. He is particularly interested in exploring the interactions between different international legal regimes and the function of dispute settlement mechanisms in international law.
- **Derek Sheridan** (ds Sheridan@gate.sinica.edu.tw) is an Assistant Research Fellow with the Institute of Ethnology at Academia Sinica (Taiwan). He holds a Ph.D. in Anthropology from Brown University and his research focuses on geopolitical imaginaries and the ethics of global inequalities in China-Africa relations. He has conducted extensive fieldwork in Dar es Salaam and is working on a book examining how Chinese migrants and ordinary Tanzanians have come to depend on each other for their livelihoods within an uneven and hierarchical global political economy.
- **Yen-Pin Su** (yenpinsu@nccu.edu.tw) is an Associate Professor in the Department of Political Science at National Chengchi University (Taiwan). He received his Ph.D. in Political Science from the University of Pittsburgh. His research focuses on party politics, social movements, electoral institutions, and democratization, with a regional specialization in Latin America. He has conducted field research about party politics and institutional change in Chile (2018), Costa Rica (2016), Panama (2016), Colombia (2015), Peru (2012), and Mexico (2010).
- **Ágnes Szunomár** (szunomar.agnes@krtk.mta.hu) is the Head of the Research Group on Development Economics, Institute of World Economics, Centre for Economic and Regional Studies; Associate Professor at the Department of World Economy, Corvinus University of Budapest (CUB). She studied International Relations at CUB, Politology at the Eötvös Loránd University's Faculty of Law and Political Sciences and holds a Ph.D. in Economics from CUB. Her research focuses on China's economic relations with foreign countries, particularly those in Central and Eastern Europe. She has also conducted research on emerging markets as well as on policies impacting foreign direct investment.
- **Chien-Huei Wu** (wch@sinica.edu.tw) is an Associate Research Professor and coordinator of US-Taiwan-China research group in the Institute of European and American Studies, Academia Sinica (Taiwan). He obtained his Ph.D. in Law at the European University Institute in 2009 and focuses on US and EU foreign relations. He has been a visiting fellow at Georgetown University and the Woodrow Wilson International Center for Scholars in Washington, D.C.
- **Wen-Chin Wu** (wenchinwu@sinica.edu.tw) is an Associate Research Fellow of the Institute of Political Science (IPSAS) at Academia Sinica (Taiwan). He received his B.A. from National Chengchi University, M.A.s from National Chengchi University and Katholieke Universiteit Leuven, and a Ph.D. from Michigan State University. Dr. Wu's research focuses on comparative and international political economy, comparative democratization, Chinese politics, and Cross-Strait relations. He is particularly interested in how dictators use economic statecraft to sustain their political survival and how the rise of China changes the liberal international order established by the US after World War II.

10. Reviewers

Potential reviewers for this book proposal include:

Christopher Hughes

Emeritus Professor, Department of International Relations, London School of Economics and Political Science

Contact: c.r.hughes@lse.ac.uk

<https://www.lse.ac.uk/international-relations/people/hughes>

Scott Kastner

Professor, Department of Government and Politics, University of Maryland

Contact: skastner@umd.edu

<https://gvpt.umd.edu/facultyprofile/kastner/scott>

Shelley Rigger

Brown Professor of Political Science, Davidson College

Contact: shrigger@davidson.edu

<https://www.davidson.edu/people/shelley-rigger>

T.Y. Wang

University Professor and Department Chair, Department of Politics and Government, Illinois State University

Contact: tywang@ilstu.edu

<https://about.illinoisstate.edu/tywang/>

Thomas Christiansen

Professor, Department of Political Science, Luiss Università Guido Carli

Contact: tchristiansen@luiss.it

<https://scienzepolitiche.luiss.it/docenti/cv/353868>

Jonathan Sullivan

Associate Professor, Faculty of Social Sciences, University of Nottingham

Contact: jonathan.sullivan@nottingham.ac.uk

<https://www.nottingham.ac.uk/politics/people/jonathan.sullivan>

Chun-Yi Lee

Associate Professor, Faculty of Social Sciences, University of Nottingham

Contact: chun-yi.Lee@nottingham.ac.uk

<https://www.nottingham.ac.uk/politics/people/chun-yi.lee>

11. Funds

The funding for this project comes from the Institute for War and Peace Reporting, with monies allocated for editorial and publishing costs. The editor is interested in the feasibility of open-access publication and if viable will seek additional funding.