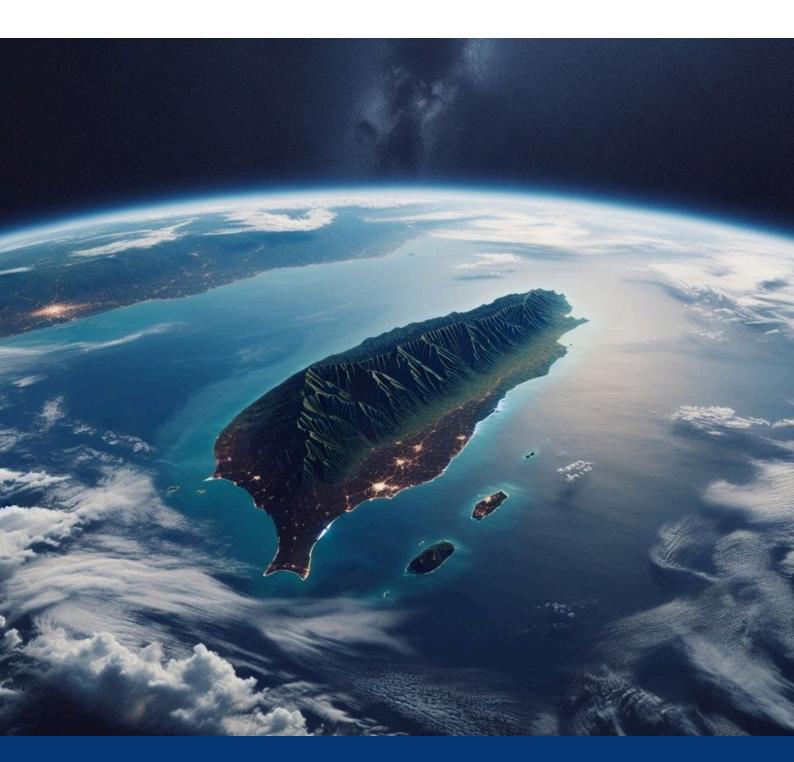


REPORT

27 JULY 2025 REPORT NO. 235



CLASH OF DREAMS, CLASH OF IDENTITIES: TAIWAN BETWEEN DETERRENCE AND REASSURANCE

Zheng Wang

About the Author



ZHENG WANG

Dr. Zheng Wang is the Director of the <u>Center for Peace and Conflict Studies</u> (CPCS) and <u>Professor</u> in the School of Diplomacy and International Relationsat Seton Hall University in the United States. He has been an Executive-in-residence at the Geneva Centre for Security Policy, a Public Policy Scholar at the Wilson Center, and a Jennings Randolph Senior Fellow at the United States Institute of Peace. Dr. Wang is the author of the prize-winning *Never Forget National Humiliation: Historical Memory in Chinese Politics and Foreign Relations* (New York: Columbia University Press, 2012). He is also the editor of the 2024 book <u>COVID-19 and U.S.-China Relations</u>. Dr Wang has recently received multiple highly competitive fellowships and grants that support him in conducting <u>Track II dialogues on Asia–Pacific security issues</u>.

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Tel. +81-3-3356-5481

Fax. +81-3-3356-5482

Email: contact@toda.org



Abstract

This Policy Brief [1] argues that the conflict over Taiwan's status is not primarily driven by geopolitics or considerations for power. It is a struggle between rivalling national identities, reinforced by compelling historical narratives. This means that peace cannot be preserved by just mutual deterrence. *Strategic reassurance*, with a basis in respect for each other's identity, may provide the key to preventing escalation to armed conflict. Reassurance complements deterrence by addressing the underlying identity fears. It sends the message that China's national rejuvenation, Taiwan's democratic survival, and US global leadership can all be maintained without war. Strategic reassurance reduces the existential cost of restraint, making compromise and coexistence politically and psychologically feasible.

Introduction

The growing tension in the Taiwan Strait is often framed in strategic, military, or ideological terms, but at its core lies a fundamental clash of dreams and identities. For China, Taiwan, and the United States, the Taiwan issue is a deeply emotional and symbolic conflict, driven by competing national visions and historical narratives. Managing and resolving an identity-based conflict using the approaches designed for interest-based geopolitical disputes is not only ineffective but also carries the potential to exacerbate tensions and deepen divides.

For an identity-based conflict, any sustainable de-escalation strategy must combine deterrence with strategic reassurance—that is, the deliberate signaling, through words, deeds, and institutional practices, that one's objectives can be achieved without threatening the other side's core security or sense of self. Deterrence draws the red lines; reassurance ensures they are not misunderstood, misjudged, or escalated—providing space for each side to manage differences peacefully and believe that their foundational identity, aspirations, and 'dreams' can endure without war. Crucially, identity recognition, unlike territory or resources, is not finite: affirming one side's dignity need not diminish another's. Embedding reassurance measures (legal commitments, transparent military postures, and narrative-sensitive diplomacy) into US-PRC-Taiwan interactions provides the missing half of today's strategy, allowing the parties to redefine their interests and basic needs in ways that reduce fear, lower the costs of compromise, and keep collective dreams from hardening into war aims.

Three dreams on a collision course

Across Beijing, Taipei, and Washington, policy elites, politicians, and segments of the public have long held on to powerful dreams. For China, the dream is national reunification, a goal deeply rooted in historical memory and framed as a necessary step toward healing the wounds of the 'Century of Humiliation' and achieving the 'Great Rejuvenation of the Chinese Nation'. For Taiwan, the dream is to preserve its democracy and autonomy, with many aspiring to full self-determination and international recognition as a sovereign state. For many in the United States, the dream is to outdistance China in an economic, strategic, and cultural rivalry: Make America Great Again.

In the United States, the wish to hold back or outdistance China links closely to the 'Make America Great Again' narrative, which sees US strength in keeping its place as the world's top power. Losing Taiwan is viewed as the first in a row of dominos that could destroy US pre-eminence and encourage its rivals. Thus, safeguarding the island is cast not only as a matter of regional security or democratic solidarity, but as a test of American primacy. Hence, the Taiwan issue becomes entwined in American domestic identity politics, making any compromise politically hazardous and reinforcing the impulse toward hardline deterrence.

All three parties, however, understand that realizing their dreams is exceedingly difficult. For Beijing, Taiwan's rapidly evolving identity, increasing de-Sinicization, and successive electoral victories of the pro-independence Democratic Progressive Party (DPP) have gradually eroded hopes for 'peaceful reunification'. For Washington, containing China without destabilizing the Indo-Pacific remains a delicate and increasingly unsustainable balancing act. For Taiwan, maintaining autonomy while avoiding provocation of a far more powerful neighbour requires constant strategic ambiguity and resilience.

Yet the real danger lies in a growing and disturbing trend: the emergence of militarized dreams—the idea, held by some on all three sides, that these long-cherished national goals could be achieved by a war. In China, public discourse—from social media forums to academic think tank analyses—increasingly entertains scenarios of a swift and decisive military operation to 'liberate' Taiwan. In the United States, some view a cross-strait conflict as an opportunity to significantly weaken or even defeat China, much like the Ukraine war has diminished Russia's power and global standing. In Taiwan, although most citizens understand the catastrophic risks of war, some believe that if Taiwan, with US support, could repel a Chinese attack, it would open the path to permanent independence and/or regime change in mainland China.

The use of force can be justified and legitimized when the conflicting parties frame the conflict as a mission to restore historical unity or injustice. China's use of historical memory to justify its assertive policy toward Taiwan shares significant similarities with Russian President Vladimir Putin's use of historical memory to justify the invasion of Ukraine in 2022. Both China and Russia invoke past traumas to frame contemporary conflicts as efforts to correct historical injustices. China emphasizes the loss of Taiwan during the 'century of humiliation', while Putin frames the collapse of the Soviet Union as a historical tragedy that necessitated the restoration of Russian influence over Ukraine.

The Taiwan question arose as a result of weakness and chaos in our nation, and it will be resolved as national rejuvenation becomes a reality.[2]

We cannot allow historical Russia to be torn apart. Our goal is to right these historical wrongs.[3]

China's vision of the 'Great Rejuvenation' parallels Putin's call to restore Russia's historical greatness. In both cases, achieving these visions is framed as a moral imperative tied to the nation's identity and destiny. These imperatives—rooted in nationalism, fear, and historical ambition—represent the most immediate and dangerous elements of the Taiwan question. While nationalist aspirations are not inherently destabilizing, history shows that when groups believe that long-held dreams can only be fulfilled through war, the threshold for conflict lowers. People are normally rational, but their dreams can drive them to take extraordinary risks they might otherwise avoid.

Historical memory, identity, and the Taiwan conflict

The conflict across the Taiwan Strait is more than a contest of power—it is an identity-driven struggle. Taiwan's separation from China when it was ceded to Japan in 1895 is consistently portrayed in China as a historical wound. Across numerous PRC official speeches, documents, and policy papers, the message is clear: national reunification is not simply a political goal, but a step toward restoring national dignity. As the 2022 white paper *The Taiwan Question and China's Reunification in the New Era* states: "The fact that we have not yet been reunified is a scar left by history on the Chinese nation. We Chinese on both sides should work together to achieve reunification and heal this wound."[4]

This framework aligns with what psychoanalyst Vamik Volkan terms 'chosen trauma' and 'chosen glory'. Chosen glory emphasizes a group's idealized memory of triumph and national achievement.[5] In China's case, the trauma of historical subjugation and the glory of civilizational resurgence interact to legitimize policies toward the national reunification project. These are not merely rhetorical devices but deeply internalized collective narratives that shape political behaviour.

Yet while China constructs its identity around unity and national recovery, Taiwan's identity formation has evolved in a different direction. Over the past decades, Taiwan has undergone its own process of identity consolidation—shaped not by the memory of colonial fragmentation, but by the legacy of authoritarian repression, democratic transition, and localized cultural development. Taiwan's collective memory includes its own set of traumas, most notably the February 28 Incident (2-28) of 1947, during which thousands of civilians were killed by the Kuomintang (KMT) government. This event, along with the broader period of White Terror under martial law (1947–1987), has become a cornerstone of Taiwan's historical identity—highlighting the struggle against authoritarianism and the birth of a democratic society.

Democratization in Taiwan, particularly since the 1990s, has served as a vehicle of identity transformation. Frequent elections, political pluralism, and a flourishing civil society have all contributed to the growth of a civic-based Taiwanese identity, increasingly distinct from the ethno-cultural Chinese identity promoted by Beijing—as well as the most conservative faction in the KMT. Education, media, and public discourse in Taiwan have emphasized localization, de-Sinicization, and the uniqueness of Taiwan's political and cultural experience. Among younger generations, this transformation has produced what is commonly referred to as 'natural independence' (天然独)—a state of mind in which identification with Taiwan as a sovereign, democratic entity is assumed as a given.

In contrast, identity construction in Mainland China remains top-down, driven by state-led patriotic and historical education. The narrative of national humiliation and rejuvenation is reinforced through textbooks, media, public campaigns, and official commemorations. Taiwan's non-negotiable return is not a matter of if, but when. There is a growing impatience with Taiwan's perceived drift toward independence. These parallel but divergent processes have led to what can be described as a deepening identity deadlock. The two societies move rapidly in opposite directions.

^[4] The People's Republic of China. *The Taiwan Question and China's Reunification in the New Era.* Beijing: Taiwan Affairs Office of the State Council and State Council Information Office, August 10, 2022.

^[5] Volkan, Vamik. Killing in the Name of Identity: A Study of Bloody Conflicts. Charlottesville, VA: Pitchstone, 2006, p. 48.

This identity divergence presents a dilemma for both sides. For Beijing, there is a delicate balance to maintain: being too lenient risks emboldening pro-independence forces in Taiwan, while being too aggressive risks alienating the Taiwanese public and damaging China's international image. For Taiwan, closer economic or political ties with the Mainland may threaten its evolving identity and sense of autonomy, while distancing itself too far may provoke political retaliation or armed conflict. The result is a political and psychological impasse—an identity-based stalemate in which compromise becomes exceedingly difficult.

Without acknowledging these underlying identity dynamics, policy approaches are likely to remain superficial and ineffective. Understanding the conflict through the lens of collective identity is not just a theoretical exercise—it is a necessary foundation for any sustainable strategy of conflict resolution or de-escalation in the Taiwan Strait.

Strategic reassurance in an identity-based conflict

While strategic reassurance is typically seen as a tool for managing interest-based rivalries, its logic also applies to identity-based conflicts. In such cases, perceived threats go beyond physical security to what scholars call *ontological security*—a group's need for maintaining its valued self-conception. When a rising rival appears to negate one's national identity and historical narratives, material concessions are insufficient. Reassurance must speak to identity.

This necessitates layered signalling:

- (1) Declaratory recognition, through public language that shows respect for the other's narrative, such as acknowledging historical trauma or distinct political systems;
- (2) Symbolic restraint, such as avoiding provocative actions or rhetoric that challenge core identity claims;
- (3) Institutionalized dialogue on identity-sensitive issues, creating channels for officials and civil society to address concerns for recognition and dignity.

By assuring an adversary that cooperation does not require narrative defeat, strategic reassurance lowers the existential cost of compromise. It makes interest-based agreements—on military posture, crisis communication, or trade—more politically viable. Identity is not just a political preference; it is a basic human need. The PRC's vision of 'national rejuvenation', Taiwan's democratic self-definition, and the US self-image as the world's leading power are non-negotiable self-conceptions. In such contexts, actors fear symbolic extinction more than material loss.

Reassurance speaks directly to this anxiety. It complements deterrence, rather than replacing it. Deterrence warns that 'the costs of attack will be high'; reassurance promises that 'the costs of restraint will be low—because your identity will be respected'. When applied to the Taiwan conflict, strategic reassurance offers tailored messages grounded in identity needs. Taipei could reassure Beijing by convincing it that China's national rejuvenation does not require coercive unification. Rejuvenation is not simply about territorial recovery; it is also about becoming a respected and prosperous global power. The use of force to take Taiwan might isolate China diplomatically and damage the very prestige and legitimacy it seeks to restore.

Taipei could reassure Beijing by certifying that Taiwan's democracy and identity can be preserved through the status quo and do not require formal independence. As Yingtai Lung, a writer and Taiwan's former minister of culture, observed: "there could be no democracy without first ensuring peace." [6] Strategic reassurance offers a framework in which Taiwan's democratic way of life and China's rejuvenation can coexist without forcing a zero-sum outcome. Beijing should be encouraged to recognize that the use of force would undermine the legitimacy and global respect it seeks through national rejuvenation.

For Washington, strategic reassurance does not equate to surrendering leadership or alliances. In identity-driven conflicts, deterrence alone often fails to prevent escalation, as it does not address identity-based emotions. A war over Taiwan would not serve America's leadership identity. In an alternative model of leadership, a state may reassure its adversary through balancing, mediation, and respectful behaviour rather than hostile confrontation. Strategic reassurance does not need to weaken deterrence—instead it may complement it. Strategic reassurance demonstrates that peace does not damage national identity, but may, in fact, be the surest way to preserve it.

Rethinking the Taiwan conflict: Between deterrence and reassurance

Understanding identity-based dynamics is essential for crafting effective policy responses. For decades, US policy has relied on deterrence to prevent Chinese aggression—arming Taiwan, increasing military cooperation, and signalling security commitments. While this approach may seem logical from a traditional strategic standpoint, it risks fundamentally misreading the nature of the conflict and could, in fact, exacerbate it.

In identity-driven conflicts, deterrence does not work in the way policymakers tend to assume. When issues of memory, trauma, and legitimacy are at stake, national actors are unlikely to respond to cost-benefit calculations alone. As seen in the Ukraine crisis, NATO's eastward expansion was perceived in Moscow as an existential threat. Rather than deterring aggression, it helped trigger a full-scale invasion—justified by historical claims and framed as the restoration of 'historical Russia'. The lesson for Taiwan is sobering. Using Taiwan as a strategic counterweight to China—militarizing the island, embedding it further into US security architecture—may reinforce mainland China's perception that its national rejuvenation is threatened by a hostile West and thus increase the risk of war.

Strategic reassurance could complement deterrence by addressing the underlying identity fears. It sends the message that national rejuvenation, democratic survival, and global leadership can all be preserved without resorting to war. Strategic reassurance reduces the existential cost of restraint, making compromise and coexistence politically and psychologically possible.

As John Burton has argued, deterrence is fundamentally ineffective in conflicts rooted in basic human needs, such as identity, recognition, and cultural security. Traditional, power-based strategies may apply in interest-based disputes, but when conflicts emerge from unmet existential needs, coercion often deepens grievances rather than resolving them. As Burton succinctly put it, "deterrence does not deter sane behaviors"—that is, actions driven by deeply held identity concerns cannot simply be dissuaded by force-based threats.[7]

China's claim over Taiwan is not just geopolitical; it is emotional, symbolic, and historically moralized. Over-militarizing Taiwan may increase the island's vulnerability by turning it into the frontline of a clash between major powers. In identity conflicts, military pressure cannot shift deeply held narratives—it can only deepen them.

If there is one recurring mistake that the United States makes when dealing with the rest of the world, it is to overlook the powerful role of group identity, culture, and worldview. The US foreign policy community seems to ignore the source of the conflict over Taiwan. It's not primarily a struggle between a democracy and a dictatorship or between rising and declining powers. The Taiwan issue needs to be understood as an identity-based controversy. A central feature of an effective foreign policy is the ability to put oneself in other people's shoes. Americans must try to put themselves in the shoes of the Chinese and Taiwanese people. And vice versa. A more constructive approach must recognize Taiwan not as a pawn in great power rivalry, but as a society with its own complex identity and aspirations. Washington must also understand that China's position, while objectionable to some, is grounded in constructed but deeply internalized historical memory.

Based on this analysis, here are three policy proposals:

1. DE-EMPHASIZE MILITARY DETERRENCE

US policy must avoid actions such as the permanent deployment of troops and gradually increasing its military presence in Taiwan, or high-level symbolic visits that, while intended to signal resolve, may instead provoke escalation. Reassurance measures—such as reaffirming the US One China policy and emphasizing the defensive nature of arms sales—can reduce these risks without weakening deterrence. At the same time, China should exercise restraint by suspending or significantly reducing the frequency and scale of military exercises and air and naval patrols near Taiwan's air space and territorial waters.

2. PROMOTE IDENTITY-CONSCIOUS DIPLOMACYAND CROSS-STRAIT COMMUNICATION

US, Chinese, and Taiwanese leaders should engage in diplomacy that acknowledges each side's identity-based concerns. Encouraging communication between civil societies, academic communities, and unofficial dialogue mechanisms can help soften hardened narratives and build space for alternative futures beyond the zero-sum logic. Over time, institutionalizing such dialogues—through bilateral or trilateral working groups, cross-Strait cultural initiatives, and memory-sharing projects—can create a sustained framework for reassurance and mutual recognition. When diplomacy incorporates identity as a core variable, it becomes not just a platform for negotiation, but a mechanism for reducing threat perceptions. While political dialogue may be difficult, Track II diplomacy, cultural exchanges, and economic cooperation can help reduce misperception.

3. NARRATIVES TOWARD SHARED FUTURES

All the parties should promote narratives of peaceful coexistence, mutual prosperity, and regional stability rather than narratives of confrontation or containment. For example, Taiwan's own narrative choices matter for reassurance. Taiwanese leaders should avoid publicly referring to the mainland as a 'hostile foreign country', a term that, while politically resonant, further entrenches antagonism and closes off possibilities for dialogue. In parallel, Taiwan could consider re-examining aspects of its de-Sinicization policies in education, language, and culture—not as a concession, but as a strategic reflection on whether such measures truly enhance its own security and internal cohesion. For China, Taiwan is not only a territorial issue but a question of national identity and historical continuity. Policies perceived as erasing Chinese cultural and historical links may intensify the sense of existential threat. Reframing the narrative toward shared futures does not require surrendering core values of any parties. Rather, it calls for a carefully calibrated balance: respects each other's sensitivities and opens space for coexistence without demanding alignment or assimilation.

Conclusion

The core insight of this Policy Brief is that identity—once solidified through history, memory, and generational change—cannot be altered through pressure. Neither coercion nor incentives are likely to affect the Chinese quest for reunification, or Taiwan's sense of democratic selfhood. Recognizing this helps avoid false expectations and instead supports policy rooted in realistic understanding. Policymakers must understand that conflicts perceived as affecting national identity cannot be resolved through deterrence alone. The tragedy of Ukraine demonstrates how deeply rooted historical grievances, when left unchecked and misunderstood, can lead to a devastating war.

To avoid repeating that mistake in East Asia, the United States, China, Taiwan, and the whole international community should invest in identity-aware strategies to promote mutual recognition and coexistence. Peace in the Taiwan Strait requires empathy for each party's national identity. Deterrence without reassurance risks reinforcing fear; reassurance without deterrence lacks credibility. Together, they could offer a path forward—not to erase difference, but to manage it without war. As former Taiwanese President Ma Ying-jeou wisely observed, "There are no winners in war and no losers in peace."[8] It is this simple truth that should guide us now—before it is too late.



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CONTACT US

Toda Peace Institute

Samon Eleven Bldg. 5 th Floor 3-1 Samon-cho, Shinjuku-ku, Tokyo 160-0017, Japan

Email

contact@toda.org

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