

**Non-Military Considerations: Evolving Trends and Policies in the US, China, and  
Taiwan**

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This short paper assesses the major developments and policies influencing the prospects for greater tension and conflict in the Taiwan Strait, and identifies the most dangerous factors at work. It also examines various possible alternative efforts to avoid conflict advocated by American observers.

**The Basic Problem**

The obvious dangers presented by the Taiwan Strait situation derive from three underlying factors: first, Taiwan politics and society are transitioning from the "One China" perspective of the former Chinese Nationalist government toward variations of a de facto "One China, One Taiwan" perspective, reflected in the policies of all major political parties; second, China completely rejects such a transition, and is developing military, economic, and political capabilities to deter or prevent Taiwan independence; third, the United States insists that any resolution of the Taiwan situation must be

achieved peacefully and with the assent of citizens on both sides of the Taiwan Strait, and will likely intervene---with force if necessary---to prevent China from coercing Taiwan into submission.

The difficulties presented by this situation are compounded by two additional factors. First, mutual trust---and reliable, confidential channels of communication---between Taipei and Beijing are virtually non-existent. Neither side views the other as interested in offering or reciprocating the kind of concessions that could build trust and produce a new, stability-inducing *modus vivendi* across the Strait. Indeed, the two sides seem to adhere vociferously to absolute, zero-sum positions: Beijing insists that Taiwan is part of China and Taipei insists that it is a separate, sovereign, and independent nation.

In addition, the United States, as a potential facilitator of cross-Strait dialogue, is distrusted to varying degrees by both sides: Beijing views the US as an erratic, potentially hostile, hegemonic power that seeks to sustain the existing “no war, no peace, no unity, no independence” (*buzhan, buhe, butong, budu*) situation indefinitely, as part of a larger strategy designed—in large part---to distract and contain China. It thus views as acceptable only those US actions that might serve to weaken Taiwan’s movement toward independence. Taipei views the US not only as a necessary protector against Chinese pressure, but also as a potential betrayer, capable of using Taiwan to resist or appease Beijing at its expense. Thus, while seeking greater and greater levels of US political and military support, Taiwan also resists any possible attempt by Washington to reach an “understanding” with Beijing regarding Taiwan’s status or eventual fate.<sup>1</sup>

### **Current Policy Approaches**

In the absence of a cross-Strait political dialogue or other confidence-building measures, the above factors compel Washington and Beijing to rely increasingly on various forms of military and political deterrence, along with a variety of verbal assurances, to maintain

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<sup>1</sup> Such opposition is effective largely because many Americans (and especially Members of Congress) also do not wish to seek such an understanding with Beijing, due to their support for Taiwan and/or their suspicion of China.

some semblance of stability across the Taiwan Strait. At the same time, Taipei is seeking ever greater levels of U.S. political and military support, to counter China's efforts at deterrence and containment, and, it seems, to reduce the need for increasing levels of domestic military spending.

In general, the US seeks to maintain an optimal balance between deterrence and reassurance, aimed at both China and Taiwan:

- Toward China: to deter any Chinese miscalculation leading to the use of force while reassuring Beijing that the US will not use its superior power to encourage Taiwan independence.
- Toward Taiwan: to reassure Taipei that that U.S. will not permit the forcible or coerced resolution of the issue against Taiwan's will while deterring Taiwan from undertaking unilateral actions that move Beijing further toward the use of force.

The US is exerting greater efforts to deter a Chinese decision to use force, by; a) increasing the power, speed, and sophistication of those US forces that can be deployed to the Taiwan Strait area in a crisis; b) strengthening overall US defense planning for a possible larger conflict with China; and c) intensifying attempts to augment Taiwan's self-defense capacities. In the political arena, the United States has engaged in increasingly energetic efforts to deter or oppose any unilateral attempts to alter (i.e., further destabilize) the existing status quo, as defined by Washington. In recent years, these efforts have focused primarily on restraining Chen Shuibian's attempt to establish ever greater levels of independence from the Mainland, through referenda, constitutional revisions, public statements, and alterations of the national title. At the same time, Washington continues to reassure Taiwan by reiterating its adherence to the Taiwan Relations Act (TRA) and the so-called Six Assurances.<sup>2</sup>

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<sup>2</sup> The TRA identifies the maintenance of peace and stability in the Taiwan Strait as a core US interest, and legally compels the US: to provide Taiwan with self-defense capabilities; to maintain the military ability of the US to deter conflict in the area; and to regard any threat posed by China to the security of Taiwan as an issue of "grave concern" to the US, requiring consultations between the president and the Congress. The Six Assurances were six points proposed by the ROC government to the U.S. government in 1982 as guidelines for the latter to use in conducting U.S.-Taiwan relations. The points were accepted by Washington. They state that: 1) The United States will not set a date for termination of arms sales to Taiwan; 2) The United States will not alter the terms of the Taiwan Relations Act; 3) The United States will not consult with China in advance before making decisions about U.S. arms sales to Taiwan;

Alongside these efforts, Washington has also attempted to reassure Beijing by issuing increasingly more emphatic and expansive statements of support for the longstanding foundations of stable US-China relations (centered on the three Sino-US communiqués) and of opposition to the attainment of *de jure* independence by Taiwan. Washington fully realizes that the avoidance of any use of force over Taiwan depends in large part on the maintenance of an understanding reached between Beijing and Washington at the time of diplomatic normalization: a U.S. acknowledgement of the One China concept, and a Chinese commitment to the search for a peaceful means to resolve the Taiwan issue as a first priority. However, most recently, Washington has also expressed its opposition to what it views as unhelpful actions taken by Beijing, such as the Anti-Secession Law.

China is pursuing a multi-pronged policy also designed to deter and reassure:

- Toward Taiwan: to deter Taipei from achieving or fully “consolidating” *de jure* independence via constitutional revision, public referenda, formal alterations of key national names or symbols, etc., while pressuring, enticing, or encouraging Taiwan citizens and political groups to accept or support the concept of “One China.”
- Toward the United States: to strengthen the credibility of China’s commitment to prevent Taiwan independence by all necessary means and to deter or complicate attempts by Washington to intervene militarily in the event of a future Taiwan Straits crisis, while reassuring the US that China remains committed to the peaceful resolution of the issue as a top priority.

To achieve its deterrence objectives, China is engaged in a systematic and increasingly robust effort to acquire and deploy a wide range of military capabilities, directed at both Taiwan and the United States. These include short and medium-range ballistic missiles, fourth generation fighter aircraft, highly capable conventional submarines and surface combatants, sophisticated air defenses, greatly improved command, control, communications, computers, intelligence, and strategic reconnaissance (C4ISR)

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4) The United States will not mediate between Taiwan and China; 5) The United States will not alter its position about the sovereignty of Taiwan—which was, that the question was one to be decided peacefully by the Chinese themselves—and would not pressure Taiwan to enter into negotiations with China; and 6) The United States will not formally recognize Chinese sovereignty over Taiwan.

capacities, and overall advances in operational capabilities through major advances in training, logistics, and military exercises. China's National People's Congress has also recently passed an Anti-Secession Law (ASL) intended, in part, to strengthen the credibility of China's willingness to employ "non-peaceful measures" to prevent Taipei from achieving *de jure* independence.

Beijing's efforts to reassure and persuade are multi-dimensional, aimed not only at Taiwan, but also at the United States and other relevant powers in Asia and beyond. China is intensifying its political and economic ties with Taiwan citizens, political groups, and business circles. The policy foundations of this effort are largely contained in Jiang Zemin's Six Points of January 1995. They have also gained some impetus in recent years as a result of China's exploding economic, technological, and investment links to Taiwan and Hu Jintao's recent statement of China's willingness to meet with any Taiwan groups that accept the "1992 consensus," regardless of their past behavior.

These actions are accompanied by expanding diplomatic forays across Asia, Russia, and Europe, intended in part to reaffirm the commitment of other powers to the One China concept, and to assure such powers that the Taiwan issue is *sui generis* and that Beijing's enhanced effort at military deterrence does not portend an overall aggressive Chinese foreign policy line. Even the ASL is apparently viewed by some in China as an attempt to reassure Taiwan and others that Beijing is committed to a peaceful resolution of the issue. They argue that the ASL suggests that China will not employ force to achieve reunification; force will be used only as a last resort, to prevent independence.<sup>3</sup> Finally, a major component of Beijing's overall policy in this area consists of concerted efforts to sustain cooperative relations with Washington, in order to reduce US incentives to support (or acquiesce in) Taiwan's movement toward *de jure* independence and to prevent the emergence of a full-blown US containment strategy toward China. China has also sought assurances from Washington that it would reduce its level of military assistance to Taiwan.

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<sup>3</sup> This position is even more clearly stated in Hu Jintao's Four Points. He affirms that the Chinese government will never give up efforts to seek peaceful reunification.

In general, however, the relative emphasis that Beijing places on deterrence (or conveying resolve) versus reassurance (or conveying accommodation) in its policies regarding Taiwan is often heavily influenced by domestic considerations. Some policy options (especially regarding certain types of accommodation) are simply “out-of-bounds” because they would almost certainly prove to be politically fatal to any Chinese leader. The same can be said, albeit perhaps to a lesser extent, for the United States.

The policies of the Taiwan government under Chen Shuibian also involve an effort to balance two potentially conflicting sets of objectives.

- To advance Taiwan’s status as a democratic, fully autonomous, sovereign entity, in order to achieve the larger objectives of Taiwanese nationalism (if at all possible), and to strengthen political support among other democratic nations.
- To ensure continued peace and prosperity by maintaining the requirements for economic growth (which increasingly include extensive contacts with China), deepening support from the United States, Japan, and other powers, and avoiding a conflict with Beijing, in part by achieving a credible military deterrent.

These objectives require the Chen Shuibian government to walk a fine line between ensuring or deepening the strength, dignity, and de facto independence of Taiwan and avoiding any actions that might either endanger US support in any meaningful way or leave Taiwan more vulnerable to Chinese coercion (or, worse yet, provoke China into launching a potentially disastrous attack). However, Chen’s ability to walk such a line is severely hampered by the highly divisive and contentious nature of Taiwan domestic politics, marked by a largely “zero-sum” competition between political parties and an absence of agreement among both elites and ordinary citizens over fundamental issues of national identity and purpose, cross-Strait relations, and many aspects of governmental structure and process. To achieve his objectives, Chen Shuibian must balance the requirements for maintaining his core political base of pro-independence activists and allies with the need to expand support among the more moderate mainstream citizenry of Taiwan.

These internal political dynamics greatly influence (and in many cases undermine) Chen's ability and willingness to pursue a host of other policies, including attempts to strengthen military deterrence, to court greater levels of US political support, to advance the goals of Taiwan independence, and to avoid a conflict with China. Such an unstable, high-pressure environment arguably increases the likelihood that Chen will take actions that can provoke a crisis between China and the United States. Indeed, Chen's policy objectives, combined with the features of US and Chinese policy outlined above, produce a situation in which the Taiwan tail can often wag both the US and the Chinese dog.

### **Estimating the Danger of Conflict**

Taken as a whole, the above dynamics of the Taiwan Strait situation could certainly produce a conflict between the United States and China. Such a conflict would most likely emerge in one of two ways. China might decide to apply coercion or outright force to compel Taipei to reverse a specific action or set of actions that Beijing regards as tantamount to the attainment (or likely attainment) of *jure* independence. Under such circumstances, the Chinese leadership would probably employ force only if Taiwan were to refuse to reverse its position and the United States were to prove either unwilling or unable to support China's demand. A Chinese use of force might also occur if Beijing: a) decides that Taiwan is incapable of reaching an agreement on political reunification that is acceptable to China; b) believes that its ability to compel Taiwan to reunify will likely decline over time; and c) calculates that it has achieved sufficient military and political capabilities to prevail in an effort to compel reunification.

In both scenarios, China's decision to employ force would almost certainly result in a forcible US response, thus resulting in a major crisis and perhaps a Sino-US conflict. At present, the likelihood of either scenario emerging in the near term is not terribly high. In part, this is because strong incentives exist to avoid a conflict over Taiwan, for two basic reasons. First, the cost of such a conflict for both the US and China would almost certainly be extremely high. It is by no means certain that a severe military-political crisis over Taiwan could be contained. In such a crisis, the danger of rapid and

uncontrollable escalation would probably exist, as each side sought to convey its resolve, neutralize or deflect actual military strikes, and defend against potential attacks.<sup>4</sup> The dangers of this situation would be enormously aggravated by the fact that US military actions might be read by the Chinese leadership as a threat to China's nuclear arsenal, requiring a robust response. A further danger is presented by the possibility that Taiwan might take actions that serve to escalate the crisis, either inadvertently or by design.

Such an escalating crisis could wreak enormous damage to US and Chinese interests. A devastating military conflict could kill thousands and severely damage the economies of both countries. It could also produce a new Cold War in Asia, and thereby threaten a common Chinese and American interest in regional growth and stability. It could seriously damage key U.S. allies such as Japan, and virtually destroy Taiwan. And it could destroy the carefully orchestrated reform-era grand strategy of the Chinese government, centered on the achievement of national wealth and power through extensive and deepening economic, political, social, and military contacts with a peaceful and cooperative global community. Even worse, it might topple the Chinese government and produce severe social unrest that could spill over into other countries.

Second, China in particular has a strong incentive to avoid a conflict over Taiwan because of an apparent belief that several key trends favor an eventual peaceful resolution of the problem in China's favor. These include: the explosive growth of cross-Strait economic, cultural, and people-to-people contacts, Taiwan's growing reliance on China for critical economic markets, outlets, and resources, and the passing of an older generation of Taiwanese nationalists adamantly opposed to any type of political association with the Mainland. Over the long term, such trends could arguably induce Taiwan to reject the objective of achieving full, sovereign independence and accept a more pragmatic (and presumably less dangerous) form of political association with China.

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<sup>4</sup> One very important question to ask is: do the Chinese and American leaderships believe that a Sino-US military crisis over Taiwan is controllable under certain circumstances?



But for these trends to continue, three requirements must first be met: First, China must continue to enjoy a high rate of growth, in order to maintain its pull on Taiwan, to sustain its growing influence in Asia, and to provide the wherewithal to strengthen China's military deterrent against Taipei. This will depend, in large part, on the maintenance of mutually beneficial political and economic ties with Europe, Asia, and the United States, and the successful handling of a range of challenging domestic social and economic problems. Second, the Sino-American relationship must not deteriorate to the point where the US is compelled to adopt a genuine policy of containment or confrontation toward China. Such a shift would almost certainly induce Washington to resist the reunification of Taiwan with the Mainland and perhaps even to jettison the One China policy in favor of Taiwan independence.

China's reform-era grand strategy is to a great extent dedicated to meeting these two requirements, i.e., to ensuring the conditions for continued high levels of growth and to avoiding a major downturn in Sino-US relations. This strategy has achieved a significant level of success thus far. Moreover, it has benefited enormously from the post-9.11 shift in US strategic objectives: from a growing concern with China as a strategic competitor, to a heightened desire to maintain cooperative relations with Beijing and to avoid an unnecessary crisis over Taiwan that would distract US attention from the war on terrorism. From China's perspective, this strategic imperative lends enormous credibility to U.S. statements opposing any unilateral actions by Taiwan to alter the status quo. However, over time, Beijing's security strategy, and its ability to avoid a confrontation with the US, will arguably encounter greater challenges as China's power and influence grows and the security dilemma increasingly comes into play.

Third, Taiwan must not provoke a severe Sino-American crisis by moving to attain *de jure* independence in the near to medium term. In particular, it must not threaten to unilaterally formalize its de facto independent status in ways that provoke China to employ force, such as through constitutional revision, public referenda, etc. At present, the likelihood that the Chen Shuibian government could successfully carry out such provocative actions is not high. Chen does not enjoy sufficient strength in the Legislative

Yuan (LY) to push through radical constitutional revisions or to revise the referendum law to permit public plebiscites on sovereignty issues. Moreover, by handing the Pan-Green alliance an unexpected defeat in the December 2004 LY elections, the Taiwan public was by and large expressing its opposition to moves by Chen and other pro-independence leaders that significantly raise tensions with China and, perhaps more important, provoke US rebukes and counter-pressures.

However, one cannot ignore the possibility that serious differences might emerge between Beijing and Washington over the short to medium term regarding how best to handle future actions by Taiwan. Beijing might stridently oppose the implementation by Taipei of public referenda on any political or constitutional issues, arguing that such actions serve to establish the authority of Taiwan's populace as the basis of sovereignty for the Taiwan government. The United States might resist such pressure, citing the need to respect Taiwan's democratic process. More broadly, as indicated above, China now apparently accepts that the United States is not promoting Taiwan's independence for strategic reasons associated with the war on terrorism. However, the benefits accruing to China as a result of that struggle have not altered the basic destabilizing dynamics of the Taiwan situation outlined above. Moreover, if the United States achieves some notable progress in the war on terrorism, or if the salience of this issue declines, then U.S. assurances to China regarding Taiwan might become less credible and pro-independence advocates in Taiwan might enjoy greater freedom to push their objectives. For its part, China might also conclude that it must further strengthen its deterrence capabilities and implement other measures similar to the Anti-Secession Law, thus prompting countermoves by Taiwan, and perhaps the US, that could further destabilize the situation.<sup>5</sup>

### **A Need for Greater US Intervention?**

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<sup>5</sup> On balance, the ASL does not serve China's external interests well or strengthen stability across the Strait. It increased public support within Taiwan for Chen Shuibian just when his political fortunes were declining, precipitated the cancellation of modest steps toward greater cross-Strait links (such as charter flights), weakened Taiwan's incentive to open talks with Beijing, and shifted U.S. attention from Chen Shuibian to Beijing as the primary "trouble-maker" in the Taiwan Strait imbroglio.

US policy in the Taiwan Strait amounts in practice to a “holding action,” designed to prevent coercion or conflict while keeping the door open to political dialogue aimed at a peaceful resolution of the situation. US officials apparently hope that, through this effort, positive political, social, and economic developments within and between Taiwan and China---and across the larger Asian region---will eventually result in greater moderation and mutual accommodation across the Strait, thus leading to long-term stability, and perhaps an eventual resolution of the issue.<sup>6</sup>

However, in the absence of any clear movement toward greater cross-Strait political stability, and given the overall negative trends outlined above, some observers argue that a mere “holding action” will not avert conflict and serve overall US interests. Such critics argue for a more interventionist US policy designed either to facilitate cross-Strait dialogue or to fundamentally alter the status quo in Taiwan’s favor and compel Beijing to accept the reality of an independent Taiwan. Advocates of the former view, such as Professor Kenneth Lieberthal, argue that the United States should broker the emergence of an “agreed framework” that would lock in the China-Taiwan status quo for twenty to thirty years. Such an agreement would put aside the issue of Taiwan’s ultimate status and focus instead on the development of a confidence-building dialogue founded on credible commitments to take the issues of independence and the use of force off the table. The United States should facilitate such an agreement, according to Lieberthal, through a combination of pressure, persuasion, and the establishment of secret lines of communication between Beijing and Taipei.

Advocates of the latter view argue that democratization in Taiwan, the subsequent rejection by the Taiwanese government of the original “One China” notion, and China’s military buildup along the Taiwan Strait require a fundamental change in U.S. policy. They insist that the One China approach should be jettisoned in favor of a policy that recognizes the “reality” of Taiwan’s independence and that relies almost exclusively on military deterrence to prevent a rising China from reacting forcibly to such a radical

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<sup>6</sup> In addition to the positive factors mentioned above (i.e. cross-Strait economic contacts, etc.), such developments include the possible emergence of a more flexible and accommodating attitude toward Taiwan among China’s citizens and elites, as a by-product of social

policy shift. This argument typically appeals to ideological conservatives committed to the promotion of democracy (and the undermining of authoritarianism) as the *sine qua non* of US foreign policy, and to certain types of strategic realists who believe that the United States must prevent Taiwan from uniting with the Mainland in order to contain Chinese power.

At present, there is undoubtedly more support for the former approach among those who advocate a shift in US policy. However, at present and for the foreseeable future, it is highly unlikely that Washington will adopt any new approaches to the Taiwan issue, unless clearly forced to do so by outside events. US leaders are highly focused on other more urgent issues and have neither the time, inclination nor resources to devote to examining major policy shifts with uncertain consequences. But the question must be asked: given existing political, economic, social, and military trends evident within Taiwan and Mainland China, in cross-Strait relations, in US-Taiwan relations, and within the overall US-China relationship, will a US policy intended merely to maintain an ill-defined (and changing) status quo and to deter the worst case scenario (i.e., military conflict) facilitate long-term stability in the Taiwan Strait? Under such conditions, can Mainland China and Taiwan reverse the current deterioration in their relations and engage in the kind of mutual accommodation that is likely required to reach a new stability-inducing *modus vivendi*? I am doubtful.