New Views of Cross-Strait Challenges

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Based in Honolulu, the Pacific Forum CSIS (www.csis.org/pacfor/) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

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Foreword

The Pacific Forum CSIS organizes and promotes regional security dialogue aimed at addressing and hopefully ameliorating East Asia security challenges and concerns. We regularly host conferences and seminars with like-minded institutes throughout the United States and Asia to explore contentious issues, share ideas, and build networks of individuals and institutions that can influence regional policy-makers.

A common theme has emerged in our discussions: the impact of generational change, especially in democratic societies. The post-World War II/Korean War and colonial-era generations are being replaced by more nationalistic, less patient societies. These groups see the world and their place in it quite differently from their predecessors. They are more focused on the future and less captured or controlled by the past. Yet as we look around our conference tables, we have been confronted by a troubling fact: while a great deal of time is spent analyzing the new generation, few of its members are present at such gatherings. This is disturbing on two counts. First, it deprives these individuals of interaction with more experienced experts and analysts. Second, our discussions lack the insight of this younger generation, views that are becoming increasingly important, and increasingly divergent from those of their elders. The gap is especially evident among young professional women who are even less integrated into international policy debates than their male peers.

To help remedy this situation, the Pacific Forum CSIS founded the Young Leaders fellowship program in 2004, with the support of grants from the Freeman Foundation and the Hawaii-based Strong Foundation, plus in-kind support from the CNA Corporation's Center for Strategic Studies. Since then several other institutes, organizations, and individuals have added their critical support as well; we thank them all. The program aims to foster education by exposing Young Leaders to the practical aspects and complexities of policy-making, while also generating a greater exchange of ideas between young and seasoned professionals, thus promoting cross-cultural interaction and cooperation, and enriching policy research and dialogue. This is the fourth volume of Young Leaders' papers; the previous three are available on our website, www.pacforum.org.

We hope the Young Leaders program will provide an extraordinary opportunity for networking and training for young professionals from the U.S. and Asia who would otherwise have only limited opportunities to be involved in senior-level policy research and debate. We believe this program provides unique benefits and opportunities not only to the upcoming generation, but to the deliberations of their senior colleagues as well. The high quality thought and analysis contained in this volume's papers attest to the major contribution that the next generation can make to the international security debate when given the opportunity.

Ralph A. Cossa
President, Pacific Forum CSIS

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We also appreciate support from the CNA Corporation, and RAdm. (ret.) Michael McDevitt, director of its Center for Strategic Studies, for their unswerving support of Young Leaders. Thanks also to the institutes and universities who provided partial support for their Young Leaders' participation, including The Council on Foreign Relations, the University of California at Berkeley, Harvard University, the International Security Program at CSIS, and The Brookings Institution.

The views expressed here represent personal impressions and reflections of the Young Leaders program participants; they do not necessarily represent the views of the relevant governments, or the co-sponsoring or parent organizations and institutes.

Introduction

These essays are the product of a week-long visit to Taiwan by 17 Young Leaders Oct. 10-15, 2005. With the support of the Taiwan Foundation for Democracy, the Young Leaders participated in two days of dialogue with civic organizations and political parties where they heard Taiwanese views on regional security issues, Taiwan's democracy, and its role in the region and the world. They also participated in the Asia-Pacific Security Forum (APSF) held Oct. 12-14, 2005, an annual meeting jointly founded in 1997 by the Pacific Forum CSIS, which is led by Ralph Cossa; the Institute for National Policy Research, led by Hung-mao Tien; the Institute for Strategic and Development Studies, led by Carolina G. Hernandez, and the Paris-based Asia Center, led by François Godement. The APSF aims to foster multilateral dialogue on regional security issues, including the cross-Strait relationship, and to ensure that Taiwan security issues are objectively discussed in the international arena. The conference included a luncheon address by Mainland Affairs Council Chairman Joseph Wu, which aimed to clarify President Chen Shui-bian's cross-Strait priorities.

We are grateful to the Taiwan Foundation for Democracy for organizing the two days of dialogues, which included briefings by the Democratic Progressive Party (DPP), the Kuomintang (KMT), the Legislative Yuan, a seminar at the Taiwan Foundation for Democracy, a seminar and luncheon with the Institute of International Relations at National Chengchi University, a visit to the 228 Memorial Museum, and a final dinner hosted by Minister Hung-mao Tien, president of the Institute for National Policy Research and former foreign minister. Dr. Shelly Rigger hosted an after-dinner discussion for the group at her apartment in Taipei, providing a great opportunity to follow up on her comments at the Asia-Pacific Security Forum earlier that day.

The 17 Young Leaders came from China, Japan, the Philippines, the United States, Vietnam, and Taiwan, and represented a variety of disciplines, ranging from U.S.-Japan security relations to Korea-China relations. For a majority of Young Leaders, this was their first visit to Taiwan; they noted that consideration of Taiwan's interests would figure more prominently in their future work, regardless of discipline. We were especially pleased that Young Leaders from China and Taiwan were interacting on the sidelines of the meetings, a reminder of the value of people-to-people contact across the Strait to improve understanding and dispel misperceptions. The concluding Young Leader session, moderated by Pacific Forum President Ralph Cossa, was marked by a new understanding of Taiwan's interests and the role that its democratic evolution plays in cross-Strait relations as well as Taiwan's relations.

Perhaps the most significant lesson Young Leaders took away from the week in Taipei was a new appreciation of the complexities of the Taiwan-China-U.S. relationship and the challenge all three face in managing it. Too often, cross-Strait relations are seen through ideological or nationalistic prisms and as a win/lose proposition. To prod Young Leaders to search for more balance, we asked them to prepare essays on policy initiatives that each of the parties – Taipei, Beijing, and Washington – could undertake to promote cross-Strait cooperation, as well as how regional governments could contribute to easing tensions. Their

papers – revised (as always) after the trip – provide a great diversity of opinion on how to grapple with the cross-Strait conundrum.

The YLs gained a much greater understanding of Taiwan's democratic evolution. Domestic politics in Taiwan have been transformed, and yet Young Leaders heard from politicians and experts alike that much more needs to be done. There was widespread acknowledgement that political paralysis between the parties is a deep-seated problem, stemming from historical issues as well as from distinct future visions for Taiwan and its people. In a visit to the Legislative Yuan, Young Leaders observed inter-party fractiousness during an animated debate over a budget vote.

They also met a young woman legislator who ran a successful grassroots campaign based on increased rights for women, an illustration of the benefits of Taiwan's democracy. Interestingly, several briefings noted that Taiwan "has too many elections": as a result, party officials tend to be more preoccupied with elections than policy. The issue of constitutional reform to solve governance issues, like elections, was clearly on people's minds with just two months before the regional elections on Dec. 3.

A parallel issue that drew Young Leaders' attention was the many facets and impacts of Taiwan "identity" issues. It is difficult to grasp from a distance how much the identity question informs Taiwan society, culture, politics, and its relations with China (and other countries, for that matter). Young Leaders could observe that many of Taipei's most visible cultural monuments, erected when the Nationalist (KMT) party was in power, celebrate the KMT and its connection to mainland China. In contrast, the visit to the 2-28 Memorial Museum, which honors the victims of the KMT's violent suppression of native Taiwanese protests on Feb. 28, 1947, was appreciated as an effort to recognize native Taiwanese contributions and sacrifices in Taiwan's democratic evolution. Although Young Leaders encountered no proponents of the independence movement, the sense of a national identity distinct from China was palpable among many experts they met. Young Leaders came to realize that there is a legitimate desire for self-determination that Beijing's "one country, two systems" policy may fail to address.

Other issues addressed in the various briefings included: the controversial arms package offered Taipei by Washington; views of growing economic interdependence between China and Taiwan, and Taiwan's policy options for sustained economic growth; Beijing's overtures to opposition politicians in Taiwan, and the DPP's response; and strains in U.S.-Taiwan relations. In all these issues, opinions varied dramatically and consensus was difficult to discern.

Young Leaders also gained an acute awareness of the negative consequences of Beijing's policy that aims to isolate Taiwan internationally. In the Asia-Pacific Security Forum, it was clear that Taiwanese scholars had much to contribute to the region's multilateral fora, and yet Beijing's pressure on the region's governments has been so successful that Taiwan's absence from international organizations and circumscribed diplomacy more generally is barely raised. Young Leaders had not weighed the implications of Taiwan's isolation on cross-Strait relations, on regional security, and on Taiwan's

opportunities for further political and economic development. Some Young Leaders concluded that regional governments should play a more active role in helping to ease cross-Strait tensions by raising the issue of Taiwan involvement in ASEAN Plus 3, the "Plus 3," and the East Asia Summit. To leave the task of supporting Taiwan's international involvement to the United States is counterproductive to the region's interests. Young Leaders also heard the effects this isolation has on Taiwan's domestic politics and identity issues, as it only strengthens the desire for greater self-determination. Some concluded that Beijing's policy of isolation is thus counterproductive, and fails to win the "hearts and minds" of the Taiwan people

Soft Power Approaches to Bridge Cross-Strait Relations

By P. Claire Bai

Since the political split in 1949, the two sides of the Taiwan Strait have entered a period of unsettled disputes and created a special relationship. As their political differences continue, potential military conflict over Taiwan's political status poses a threat not only to people living in mainland China and Taiwan, but also to countries with economic and security interests in the region, i.e. the United States, Japan, and South Korea. Therefore, it is imperative to reduce hostility and facilitate dialogue between the mainland and Taiwan.

Even though mainland-Taiwan relations have been characterized by growing economic interdependence since the 1980s, Taiwanese policymakers fear that this will increase Taiwan's vulnerability to the mainland. Soft power factors such as economic opportunities and culture attractions are often considered "secondary" to military and geo-strategic elements in cross-Strait relations. However, to bridge strategic distrust and build confidence across the Strait, it is more feasible for both sides and other regional parties to take a series of practical policy initiatives, starting with economic and cultural programs.

I. When Taiwanese opposition leaders visited the mainland last spring, both sides agreed to promote mainland tourism to Taiwan. Unfortunately, hostility between the Beijing government and the administration of Taiwan President Chen Shui-bian kept the two sides from implementing that agreement. The following reciprocal steps are ways to boost flourishing mainland tourism to Taiwan.

For Taiwan: The first step is to substantially simplify the process for PRC nationals to obtain tourist visas. In July 2005, the mainland implemented policies that simplify procedures for Taiwanese commuters to obtain long-term multiple-entry visas; the Taiwan government should reciprocate. The Chen administration should also encourage local tourism agencies to establish "sister" relationships with mainland counterparts, following the example of an agreement to arrange week-long trips to Taiwan for mainland Chongqing residents, signed by the Taiwan Changgu Travel Agency and Chongqing Swan Travel Agency.

For mainland China: Chairman of the China National Tourism Administration Shao Qiwei's visit to Taipei in late October is a positive move to facilitate cross-Strait exchanges. Beijing should encourage provincial and local travel agencies to actively seek cooperation with their Taiwanese counterparts. It is also in Beijing's interest to be more creative in finding mutually acceptable ways to negotiate directly with the Chen administration to promote cross-Strait charter flights for tourism.

II. To help people on both sides better understand each other's thinking and experience, it is critical to promote cultural and educational exchanges, especially among the younger generation. In the past, U.S.-Japan high school exchange programs, such as the Reischauer Scholars Program, have helped shape the thinking of participants and encouraged a number of students to concentrate on U.S.-Japan relations in college. Both the mainland

and Taiwan should learn from this success and promote middle or high school-level educational trips to the other side, as well as encourage the establishment of "sister school" relationships.

For Taiwan: Chen should rethink his remark that he would not recognize degrees from mainland universities as long as he is president, lift explicit employment discrimination against Taiwanese students with mainland degrees, and reverse other damage caused by such irresponsible comments.

For mainland China: While facilitating Taiwanese students' enrollment in mainland universities, senior Chinese officials dealing with Taiwan should study the "Taiwan experience" and work on changing their own thinking and attitudes. It is beneficial to "overlook" minor impediments such as honorific appellations (Ambassador vs. Mr./Ms. etc.), which they perceive as indicating "equal" standing between mainland and Taiwanese participants in multilateral settings. Mainland officials should focus their attention on the actual contents of agreements instead of silly formalities.

III. China is reputed to be especially skilled at "sports diplomacy." To some extent, cross-Strait relations provide mainland policymakers with an arena where they can demonstrate their creativity and true "sportsmanship." With the 2008 Beijing Olympic Games at hand, the mainland government should consider incorporating Taiwan into the Games in a proactive manner.

Taipei could host an event such as Dressage, in exchange for an exhibition soccer game to take place in conjunction with the 2006 or 2007 APEC meetings in the ASEAN host country. During the soccer game, players from the mainland and Taiwan could play as one team against the joint-Korean team. This "Olympics for soccer" deal might induce significant improvements in cross-Strait relations, helped by the positive influence of the two Koreas and assistance from friendly ASEAN neighbors.

For the U.S.: A major role of the U.S. in the "Olympics for soccer" deal would be to maintain the status quo in the region, in which it helps ensure that Taiwan would not declare independence and that mainland China would not launch a military attack.

For ASEAN countries: As a friend to both the mainland and Taiwan and an important regional multilateral institution, ASEAN could use this opportunity to further exert its influence in regional affairs. Hosts of the 2006 or 2007 APEC meetings (Vietnam and Australia) could provide the venue for the exhibition soccer game, and invite players from all four sides to set up joint teams. ASEAN's neutral stance and diplomatic finesse, combined with strenuous efforts on the part of mainland China, and encouragement from the two Koreas that are edging on their own toward reunification, will hopefully result in cooperation from Taiwan.

For mainland China: It is critical that the mainland government coordinate with the Beijing Olympics Committee, negotiate skillfully with the Chen administration on the prospect of co-hosting the Games on a city-to-city basis – rendering Taiwan's status similar

to that of Qingdao, where the Olympic Sailing event will be hosted – in exchange for a joint soccer team. If Taiwan understood the benefit of being involved in the Olympics and agreed to the deal, the mainland could send inspectors to Taiwan to research facilities for hosting the Dressage, work out detailed plans with local committee, and release a joint announcement to the international community.

For Taiwan: The Chen administration should look at cross-Strait relations over a longer time frame than his term in office, demonstrate sincerity in improving relations, and seriously consider the mainland proposal. Taiwan should dispatch negotiators to work creatively with the mainland on ways to implement the "Olympics for soccer" proposal.

Objectives, Constraints, and Options for U.S. Policy in the Taiwan Strait

By Ashle Baxter

Policy goals and objectives

Before considering policy options, it is necessary to define concrete goals and objectives these policies hope to accomplish. In broad terms, the interests of the United States are best served by a dual strategy focusing on both the immediate and near-term, as well as long-term future.

First and foremost, United States should seek to prevent hostilities that could lead to open conflict across the strait. This must be a prerequisite to any future policy because it is the foundation upon which any progress can be based. Washington needs to ensure that neither side takes any action that would provoke the other to commit to an irreversible course leading to war.

There are two foreseeable triggers likely to cause this outcome. Beijing has explicitly stated on number of occasions that it will use force if necessary to prevent Taiwanese independence.[1] Therefore, it is reasonable to believe that a Taiwanese declaration of independence or some substantial move towards independence by the Taiwanese government could provoke a Chinese military response. The second likely trigger is the unilateral use of force by the mainland, in the absence of Taiwanese provocation, to coerce Taiwan into unwilling reunification or alternatively to push them into declaring independence. This would almost certainly guarantee retaliation by Taiwan to the extent possible, and would very likely draw the United States into the conflict as well.

From a more long-term perspective, the United States should continue its stated goal of achieving some type of peaceful resolution to the impasse. Washington must somehow facilitate bringing the two sides closer to the same final aim, whether it is eventual unification, independence for Taiwan, or some equally acceptable alternative. However difficult, this is the logical conclusion to "peaceful resolution."

Likely policy constraints

Having set the course for policy, this section focuses on the realities and constraints that should be kept in mind when considering specific policy choices. There are two main external factors that shape and affect U.S. policy in the Taiwan Strait.

The first is the domestic political environment on both sides of the strait. These internal dynamics make it difficult to move forward towards any sort of resolution in the immediate future. The recent direction of politics in both Taiwan and China ensure that

[1] See for example, China's 2000 White Paper on Taiwan, the 2004 Defense White Paper, and most recently the 2005 Anti-secession Law.

neither side is likely to make radical revisions to the goals each has long stood by firmly. In Taiwan, while public opinion polls do not rule out the possibility of eventual reunification, there is little desire or incentive to rejoin the mainland under current conditions.[2] For Beijing, the issue of Taiwan has become inextricably linked with the legitimacy of the Chinese Communist Party. Short of a dramatic change in leadership, this linkage is unlikely to be broken.

The second constraint is China's growing regional and global influence. This has manifested itself in three ways: politically, economically, and militarily. China's global influence grows together with its economy, and with this influence comes the ability to increasingly isolate Taiwan politically at the international level, while at the same time drawing it closer economically.

During the past decade, China has become thoroughly integrated into the global economy and it has solidified this integration through improved relationships with trading partners in the region and across the globe. It has used this influence to gradually pick off countries granting Taiwan full diplomatic recognition. It has also used it to limit the island's international presence by blocking Taiwan's participation in international organizations and forums. It has even begun to try and use it to limit the influence of the United States in the region, notably through exclusionary international forums such as the Shanghai Cooperation Organization and the East Asian Summit.

Economically, like most other developed economies Taiwan depends on China's low production costs as a factor of its international competitiveness. Whatever political or ideological reservations the Taiwanese government harbors against the mainland, many Taiwanese businesses adopt a more pragmatic view. This has resulted in a tremendous increase in cross-Strait investment and trade during the last decade alone.[3] While this has brought with it a positive increase in human interaction across the Strait, many Taiwanese fear that economic interdependence will become a source of leverage the Chinese will try and use against them.[4]

Finally, China's economic growth has fueled its ongoing military modernization efforts. While many other factors also drive this effort, very few observers would question that one of its main aims is to prevent the failure of China's reunification policy. China is slowly increasing pressure on Taiwan and possibly bringing it closer to a degree of strength that could be used to force Taiwan to reunify unwillingly.

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[2] See Taiwanese Mainland Affairs Council http://www.mac.gov.tw/english/english/pos/9307/po9307e.htm

[3] Taiwan's cumulative contracted investment to the mainland grew from 6.9 billion dollars in 1992 to 78 billion in 2004. Total cross-strait trade grew from 6.5 billion dollars to 78.3 billion during the same period. (Cited in Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait*, Washington: Brookings Institution Press, 2005. pp.29-30.)

[4] It should be pointed out however, that interdependence, by definition cuts both ways and this means it may cause similar worries for China. Taiwan is one of China's largest sources of imports, and more than half of the mainland's information technology production is conducted by Taiwanese run facilities. (Figures from U.S. Department of State, "Overview of U.S. Policy Toward Taiwan," testimony by Assistant Secretary of State for East Asian and Pacific Affairs, James A. Kelly, April 21, 2004. http://www.state.gov.p/eap/rls/rm/2004/31649.htm)

Policy proposals

The above conditions impose serious limitations on the range of policy options for the United States. Washington must work within the framework of a China that is increasingly stronger and more assertive both economically and militarily, and a Taiwan that is increasingly isolated, increasingly dependent on the mainland economically, and increasingly threatened by the mainland's military buildup. Considering these constraints, what options would best accomplish the prevention of cross-Strait hostilities and create the best conditions for an eventual peaceful reunification?

To move forward on both goals, the United States must first ensure a good relationship with China. Attempting to contain China, especially economically, is dangerous, uncertain, and should not be an option. Engagement is vital because it maintains, develops and even opens new channels of communication between Washington and Beijing. These channels lessen the chance of misunderstanding on a range of bi-lateral concerns, including the Taiwan Strait.

Given that U.S.-China relations during the past several years have been largely dominated by economic issues, this is one potential area where Washington and Beijing can work together to improve ties to their mutual benefit. A recent bi-lateral agreement limiting imports of Chinese textiles is just one example of the type of progress that can be made. [5] With each such agreement and the negotiations that precede them, the United States and China can increasingly build mutual trust and good faith that can carry over into cross Strait issues.

In addition to its relationship with China, Washington will need to focus on relations with Taiwan. Effective management of these two bi-lateral relationships is the single most important factor accounting for the continuance of the status quo, and therefore must not change.

There are two major elements that account for this success. The first is Washington's role as an intermediary, helping smooth relations between the two sides through reassurance, and constraining them when necessary. Close ties with Taiwan allow Washington to convincingly assure Beijing that it will not go along with Taiwanese independence and that it can see to it that Taiwan conforms to this. At the same time, closeness to Taipei allows Washington to convincingly reassure the Taiwanese that it will not tolerate Beijing's use of force against Taiwan.

The other element is the security guarantee Washington provides jointly through arms sales under the Taiwan Relations Act and through its continued pledge to resist forceful coercion against Taiwan. Presently, the latter part of this guarantee is largely met by the continued U.S. military presence in the region. However, there is growing concern in both capitals that the current impasse in the Legislative Yuan over the latest arms package is

[5] Another successful example is the U.S.-China Joint Commission on Commerce and Trade (JCCT), which since 1994 has created various bilateral working groups to resolving specific issues such as IPR, textiles, and structural issues.

undermining the efficacy of the security guarantee. Washington should therefore continue to press for Taiwan to play a more active role in its own defense and push for resolution to the arms package deadlock.

If any progress is to be made on the long-term goal of moving beyond the status quo and eventually reaching a peaceful solution, dialogue must somehow be restarted between the two sides. This is perhaps one of the most difficult obstacles to overcome. If it is to happen, Beijing must put aside its distrust of President Chen and his party. Chen must also find a way to make such an exchange politically feasible in the face of his party's position and its recent criticisms of visits by opposition politicians to the mainland. Yet, in spite of China's stipulation that any negotiation must be predicated on Taiwan's acceptance of the one China principal, the past suggests that it might be possible to work around this stipulation.[6] Washington should therefore encourage dialogue between the sides, and especially with representatives of the ruling party in Taipei.

Finally, the United States should seek to play a more proactive role in the region. Washington's recent focus on the global war on terrorism has frustrated many of its allies in the region, creating an impression that Washington is disinterested in their concerns. [7] Worse still for the U.S., it has also created a leadership vacuum into which Beijing has been more than willing to step, taking the initiative to sign a free trade agreement with ASEAN and organize exclusionary regional forums.

Greater involvement in the region - especially through APEC, which includes Taiwan – would limit China's ability to use its growing economic influence to bolster claims to regional leadership. Furthermore, it would make it more difficult for China to move the cross-strait issue further out of international attention, possibly helping to limit Taiwan's isolation.

[6] It is well-known that between 1991 and 1995, representatives of both sides met secretly a number of times, and that a similar meeting occurred in 1998. Most recently, the mainland hosted visits by opposition leaders James Soong and Lien Chen.

[7] The behavior of the Secretary of State during the past year – failing to attend the ASEAN meeting in March (?) and showing up a day late at the APEC meeting in Pusan – is a good example of how this impression is created.

Preventing Preventive War: Avoiding Dangers in the Cross-Strait Status Quo

By Leif-Eric Easley

Preventive war, an old concept in international relations theory, is currently at the forefront of international politics. The U.S.-led intervention in Iraq was framed in preventive war terms: the coalition opted for military action to dispense of Saddam Hussein's regime before it could obtain nuclear capability or pass weapons of mass destruction (WMD) on to terrorists. A less obvious, but perhaps more useful, application of preventive war analysis involves the international status of Taiwan.

Preventive wars are undertaken by states perceiving *closing windows of opportunity* or *opening windows of vulnerability*. In the cross-Strait case, the People's Republic of China (PRC) could determine that its window of opportunity for unifying Taiwan with the mainland is closing if it estimates its ability to coerce the island is decreasing while Taiwan's independent identity and international support is increasing. Alternatively, Taiwan could conclude that it faces an opening window of vulnerability as the economic and military strength of the PRC increases and other countries attach relatively less importance on their relations with Taipei than on their ties with Beijing.

If the PRC undertakes military action against Taiwan, or if Taiwan formally declares independence, either would represent a decision to fight now rather than face a more costly conflict (or unacceptable terms of peace) in the future. In other words, *either action would equate to initiating a preventive war*. This paper advances a preventive war framework as a new approach for understanding, and avoiding, PRC-Taiwan conflict. Policy recommendations are outlined for the PRC, Taiwan, U.S., and Asian neighbors to ease the current diplomatic stalemate which presents the danger of preventive war across the Strait.

Preventive War and Cross-Strait Relations

A preventive war is one where the aggressor state is motivated by the fear and perception that its military power and potential are declining relative to that of a rising adversary. Preventive wars are wars of anticipation fought to capitalize on transitory military advantages and avoid future disadvantages. Such wars are not always initiated by the stronger state: when the offense is perceived to have the advantage, weak powers may consider surprise attack, just as declining powers may consider preventive aggression. Incentives for preventive war are generally provided by shifts in relative power, the need to maintain credibility of deterrence, and calculations of alliance reliability.

In the case of the PRC and Taiwan, windows of opportunity and vulnerability are not strictly functions of military power. The balance across the Strait has important political and economic variables including domestic support for government policies, trade dependence, and political clout with third party nations. The reason preventive war analysis is so useful in examining the Taiwan question is that cross-Strait relations are witnessing dramatic change in these variables while the fundamental conflict between Beijing and Taipei's ultimate goals

for the island's international status remain relatively fixed. PRC interests would be met by a "one country, two systems" solution that would end Taiwan's status as a quasi-state entity. Taiwan interests, on the other hand, would be maximized by obtaining equality in negotiations with Beijing and making *de jure* its currently *de facto* rights as a sovereign member of the international community. The irreconcilable nature of these interests eludes compromise and continues to present serious danger of military conflict.

Given this grim situation, *why has preventive war not yet occurred?* Because the official status quo delays conflict and feigns stability as both sides continue to gain from the diplomatic *stalemate equilibrium*. The PRC is undertaking a process of rapid modernization in a time of relative peace and good relations with the U.S., while receiving praise for joining international clubs like the World Trade Organization and respecting international norms and conventions. For Taiwan, the current situation allows it to reap economic benefits of trade, to maintain its autonomy, and to acquire advanced defensive weaponry from the U.S.

But the stalemate equilibrium offers an awkward and fragile peace. Ironically, aspects of the current dynamic undermine the ultimate goals of each side regarding Taiwan's international status. Against PRC interests, the status quo prolongs Taiwan's *de facto* independence backed by U.S. military support. Meanwhile, as the PRC becomes more integrated into the international economy and a variety of institutions, militarily threatening Taiwan becomes less of a credible option. From Taipei's standpoint, the increasing importance of the PRC on the international stage is making Beijing's position of greater weight in the diplomatic calculus of third parties. Indeed, Taiwan appears more diplomatically isolated now than ever. Meanwhile, deepening economic ties with the PRC are bringing Taiwan closer to the mainland and further from determining its own political destiny.

The diplomatic stalemate equilibrium, with components of stability that contradict the long-term objectives of both sides, presents an inherent danger. When the complex mix of coercion, deterrence, international restraint, increasing military and economic power, and domestic politics no longer provides for a balance across the Strait, either side could consider its position on Taiwan's international status to be rapidly deteriorating. Still worse, a serious disruption of the cross-Strait balance need not be actual; it could instead be based on misperception or miscalculation. Should assessment of cross-Strait relations yield a conclusion by either side that the benefits of the status quo no longer outweigh the costs, the existing equilibrium would collapse into preventive war.

This raises the obvious question: *how can preventive war be prevented?* International relations theory tells us that preventive wars can be avoided by decreasing incentives to misrepresent (Taipei's ambivalence toward "one-China"), reducing costly investments in reputation (Beijing's threats of military action), and addressing commitment problems (the complicated mix of deterrence and reassurance by the U.S. toward both sides of the Strait and the hesitation of Asian neighbors to take on any diplomatic role). To meet these challenges, the current stalemate equilibrium must be managed so that changing cross-Strait variables reduce rather than heighten the chance of conflict. The policy recommendations below are meant to increase diplomatic flexibility and remove the specter of military

confrontation in the short-term, so a compromise resolution on Taiwan's status can be reached in the future.

Policy Recommendations

Analysis of the cross-Strait dynamic as a case of preventive war suggests gradually moving away from the stalemate equilibrium with initiatives that discredit perceptions of closing windows of opportunity or opening windows of vulnerability. I outline below policy recommendations for the PRC, Taiwan, U.S., and Asian neighbors for preventing preventive war across the Strait.

People's Republic of China. Use the opportunity of Beijing's new position of strength and confidence to take a more generous, less militarily assertive position vis-a-vis Taiwan. This new diplomacy will save the PRC costly distraction from its economic development and greatly reduce suspicions about Beijing's strategic intensions. Such visionary action by Beijing would help ensure that China's modern rise is peaceful and would increase the mainland's attractive power in Taiwan.

Taiwan. Political parties in Taiwan should avoid engaging in united front tactics with Beijing against each other. National security is politics in any democracy, but should not be grounds for political slander or collusion with outside groups. United front tactics practiced by Taiwan's political parties give PRC leadership hope it can wait to have serious dialogue with Taiwan until leaders more to Beijing's liking come to power. Disavowing united front tactics will encourage more direct and productive exchanges across the Strait.

United States. Avoid perceptions of abandoning Taiwan or supporting pro-independence forces on the island while encouraging more direct political dialogues between Beijing and Taiwan's elected leaders.

Asian neighbors. Stop diplomatically ignoring Taiwan. Governments of the region can emphasize they value the continued existence of and relations with Taiwan's democracy. East Asian economic fora and integration efforts from APEC to ASEAN are being under-utilized out of deference to Beijing. These are missed opportunities for PRC-Taiwan interaction and regional contributions to peaceful cross-Strait relations. It would be better for Asian neighbors to recognize and build their good relations with Taiwan rather than diplomatically isolating it.

Conclusion

The history of the Taiwan issue underscores how the delicate balance across the Strait involves more than military advantage – it depends on a complex set of political and economic factors in addition to traditional measures of military power. Analyzing cross-Strait conflict in terms of preventive war suggests why the PRC and Taiwan have not yet gone to war but remain on the verge of conflict. Ambiguity over first-mover advantage, common knowledge of the high costs of war, and relative satisfaction with the status quo have maintained a fragile peace across the Strait. But as long as the PRC and Taiwan's

ultimate goals for the island's international status diverge, the current equilibrium is not stable in the long-term. Conflict is possible, if not inevitable, because political and economic variables are shifting dramatically, producing closing windows of opportunity and opening windows of vulnerability that can lead to preventive war.

It is therefore time to gradually transform the diplomatic status quo and define a more stable equilibrium. The policy initiatives above address longstanding challenges of information, reputation and commitment. They would give Taiwan more international space, China a better external environment for internal development, and the region more security. In the new diplomatic equilibrium, trade and geography would peacefully bring the two sides closer together. And in time, the PRC and Taiwan may have more compatible political visions, so that unification can be a realistic choice for peoples on both sides. Preventive war across the Strait can thus be prevented, making possible much better relations between Beijing and Taipei than was the case between Washington and Baghdad.

Improving Relations Between Beijing and Taipei: Building Trust and Managing Misperceptions[8]

By Larry Ferguson II

Given the current situation in the Taiwan Strait, there is much that could be done to improve cross-Strait relations. I've focused on two very general initiatives that the PRC might wish to consider, but in no way mean to suggest that it bears a singular responsibility. Indeed, such measures simply cannot succeed without tacit political support, or at least a lack of opposition, and a willingness to reciprocate on both sides of the Strait. Yet, as the more populous, more economically dynamic, and more militarily powerful actor in the cross-Strait relationship, I believe the PRC possesses a unique potential to improve relations between Beijing and Taipei. Because it has much to gain by doing so, Beijing should be proactive and pragmatic in seeking out such opportunities.

Dialogue

There is a great deal of mistrust across the Taiwan Strait. Some dates back to the days of the First United Front, some from the 1990s, and some has arisen due to more recent developments. Because trust is an important part of healthy relationships, those endeavoring to improve cross-Strait relations would be well served to begin with measures that strengthen communication, build confidence, and lay the foundation for an interaction based on trust.

To begin to address the mistrust that exists, the PRC should be creative in considering its options for strengthening cross-Strait dialogue. While official talks between the Chinese Communist Party (CCP) and Democratic Progressive Party (DPP) may be politically untenable, participation in track II (nongovernmental) mechanisms should be encouraged. Not only can they help build confidence and alleviate mistrust, they are often held in less politically contentious environments and therefore foster open, honest exchanges among attendees. Such forums can address the historical reticence, in terms of participation, that both sides have displayed and encourage attendance by not addressing the political preconditions associated with official contact between nations, states, political parties, or militaries. Retired government officials, academics, professional researchers, and students can attend in a private capacity. Remarks are made off the record or on a not-for-attribution basis. Organizations and attendees can avoid controversy by keeping a low profile, eschewing media coverage, or even holding meetings in confidence. Alternatively, keeping a record of event proceedings and putting thought into invitation lists can provide a coherence or common thread to meetings held successively over the course of several years.

Although efforts have been made in the past, many have stalled due to intransigence regarding the sorts of political preconditions both sides seek to impose on official contact.[9]

[8] The views expressed in this essay are those of the author and do not necessarily represent the opinions of the CNA Corporation.

[9] Kenneth W. Allen, "Confidence-Building Measures and the People's Liberation Army," presented at the conference on "The PRC's Reform: A Reappraisal after Twenty Years" held at National Chengchi University, Taipei, April 8-9, 1999, p. 10. Allen describes the Council for Security Cooperation in the Asia Pacific (CSCAP)

Beijing may have had concerns that the simple act of agreeing to attend meetings of this type confers legitimacy and implies tacit acceptance of certain political principles. While such concerns are valid, they need not stand in the way of strengthening nongovernmental, nonofficial means of communication. What Beijing would risk in terms of political capital might net it a gain in the court of public opinion.

Beijing has much to gain, economically, politically, and in terms of public opinion on both sides of the Pacific, by establishing contact with the policymaking community in Taipei. While there are risks, there are also potential benefits. Trust built between the two sides might evolve to a point where the dialogue could be elevated to a track 1.5 level (nongovernmental, with officials attending in a private capacity). Long-term goals, to be decided through consultation, could include elevating contact to an official level, beginning political or military confidence-building measures, deepening economic cooperation, addressing political reform, or even breaching the topic of unification.[10] Lacking direct communication with leaders in Taipei, it will be difficult for Beijing to achieve substantive progress, however. Both sides profess a desire for a peaceful resolution. Dialogue would seem like a logical way of moving in that direction.[11]

Reaching Congress

Both Beijing and Taipei have shown an interest in the inner workings of the U.S. Congress. In particular, they appreciate its importance in the formulation of U.S. foreign policy, especially vis-à-vis Taiwan. However, many believe that Taiwan has long held a considerable advantage in terms of the power its lobby wields on Capitol Hill. In light of the anticipated fallout, that then President Lee Teng-hui was granted permission to visit the U.S. in 1995 serves as a concrete example of Congress' influence.

Taiwan's advantage in terms of influence might come from experience lobbying its own legislative branch. Or, its affluence may have afforded Taipei influence the PRC simply lacked the means to acquire. And finally, since the late 1990s, ideological affinity has given Taiwan a sympathetic ear in Congress. Most likely, this imbalance is a result of the confluence of these and other factors. Therefore, Beijing might wish to consider redoubling its efforts to increase understanding and enhance transparency when working with members of Congress and their staffs.

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as one forum in which simultaneous participation by both Beijing and Taipei has been difficult due to political preconditions.

[10] Richard Bush, "Cross-Strait Relations: A Time for Careful Management," *Brookings Northeast Asia Survey 2002-2003*, April 2003, p. 66. Bush argues that Beijing may be misinterpreting Taiwan's position to permanently separate the island from the PRC. He notes, "Taiwan has focused less on *whether* Taiwan is a part of China than on *how* Taiwan might be a part of China. Beijing focuses on whether the state known as China owns Taiwan; Taiwan emphasizes the composition of the Chinese state."

[11] While critics of such measures describe them as prohibitively difficult in terms of the politics involved, such interaction, even between potentially politically sensitive organizations, is already taking place. Allen notes that, "Although Beijing has been resistant to allowing the ROC military to be involved in formal military and military-related international fora, the PLA, through its China Institute for International Strategic Studies (CIISS) and National Defense University (NDU), has invited national security academics and retired ROC military officers to Beijing for discussions on national security issues." Allen, "Confidence Building Measures," p. 10.

This need is underscored by a recent survey indicating that Congressional staff members have a disproportionately negative view of the PRC.[12] This view extends to several aspects of the Sino-U.S. bilateral relationship: it includes, but is not confined to issues involving Taiwan. Perhaps more troubling is the fact that their view is more negative than, and therefore not representative of, the U.S. public's view of the PRC. This suggests a gap in perceptions among a group of individuals that could be addressed directly. Although this would not be easy, this effort would be much more feasible than a widespread, large-scale public relations campaign aimed at changing U.S. public opinion as a whole.

The PRC might therefore find that reaching out to Congress, if done in a way that does not arouse nativist sentiments in the U.S., could pay dividends. An informed Congress, with more balanced perceptions of both sides of the Strait, could help the U.S. continue to be a stabilizing force in the cross-Strait equation. Such a balance might alleviate tensions among all involved, and allow it to act as a calming influence in a situation where tensions often run high.

Leaders in Beijing have shown increasing political savvy with regard to Congress. Perhaps this shows that the CCP possesses a deeper understanding of how the U.S. government makes foreign policy. When such efforts improve communication, transparency, and adherence to international norms, they contribute to stability and are to be encouraged. Despite recent progress, however, debacles such as the failed bid by state-owned China National Offshore Oil Corporation (CNOOC) to purchase Unocal, the ninth largest oil company in the U.S., show that there is still work to be done in this area.

Conclusion

My suggestions are basic and painted in simplistic strokes. There are others that might serve the cause as well or better. In addition, they speak to only one part of the equation, and don't address steps that Washington and Taipei could take to improve cross-Strait relations. Moreover, political will and courageous political leadership could accomplish much more than has been suggested here. However, such steps are difficult and should be measured and carefully thought through. While value is placed on the status quo, it remains true that "nothing ventured, nothing gained."[13]

[12] "American Attitudes Toward China: Views on China and U.S.-China Relations, Phase Two: Congressional Staff and Business Leaders," April 2005. This study was commissioned by the Committee of 100 (*Bai Ren Hui*) and conducted by Zogby International.

[13] Bush, "Cross-Strait Relations," p. 61. The question of political will is an important one. Beijing may not feel the need for courage, flexibility, or engagement described here. Bush notes, "Economic ties, Beijing believes, will ameliorate political frictions and gradually bring a shift in political opinion on the island away from separatism and towards unification on China's terms. Time is on its side."

Warm and Fuzzy is Greatly Overrated: Decreasing the Chance of Conflict over Taiwan

By Justin Hastings

Supporters of a rapprochement between Taiwan and China presumably do so because they believe that closer ties mean less potential for a war. But would better cross-Strait relations actually lower the chance of a conflict over Taiwan? In the 1990s, the U.S.-China relationship was characterized by undulating levels of warmth: summits between smiling, backslapping presidents making proclamations of a rosy time ahead, followed by a crisis such as the 1999 U.S. bombing of the Chinese embassy in Belgrade. The Bush administration looked set to follow that pattern early on with the *EP-3* crisis, but since then the relationship has been more stable: China and the U.S. are not best friends, but neither are they veering from crisis to crisis.

Perhaps the problem with cross-Strait relations, as high-level figures make visits and indulge in confidence-building measures, is that the extent to which Taiwan and China's security postures are interdependent is overestimated. The perceived relationship is too "tightly coupled," leading to actions and responses that periodically ratchet up the tension unnecessarily. China, after all, will continue its general military buildup in keeping with its status as a rising power, regardless of what Taiwan does. And Taiwan seeks to deter China from attacking regardless of the warmth of political relations or the meshing of their economies. It seems more likely that a shock to contrived warmth would lead to a crisis than lukewarm stability. On that assumption, I make the following proposals to de-emphasize interdependence in cross-Strait relations, and emphasize mutual deterrence.

Taiwan

- Re-evaluate Taiwan's defense posture, and if the weapons offered by the U.S. are not appropriate, submit a new request, with a promise to act upon it with all due speed if approved by the U.S.

- Draw up war plans without any assumption of U.S. military aid.

Some Pentagon officials are concerned that Taiwan's military leaders have adopted a fatalistic attitude toward U.S. intervention: whatever happens, the U.S. will save the day. As such, the Taiwanese have not pushed for equipment acquisitions, maintaining personnel and readiness, or planned for an invasion without U.S. support. Furthermore, some Taiwanese oppose buying the weapons systems offered by the U.S. to avoid upsetting China. This assumes that China's actions are based on what Taiwan does. Since China is increasing its military presence in Fujian regardless of Taiwanese behavior, Taiwan's leaders must be realistic and seek to deter China from attacking as much as possible by themselves. Fatalism is not an adequate deterrent. Other critics of the U.S.-offered weapons package argue that this is not appropriate for Taiwan, especially since some of the weapons are so outdated that they are no longer in production. If so, then Taiwan should re-evaluate its defense posture and

submit a new request to the U.S., and if it is accepted, promise to accept or reject the U.S. offer quickly.

- Give financial and other incentives for academics and researchers to study something besides cross-Strait relations and Taiwan's struggle for international recognition.

Over the decades, Taiwan academics and other intellectuals have become so focused on cross-Strait relations and Taiwan's struggle for international recognition that it is possible that ideas have become stale as the status quo persists, and endless discussions are had on the importance of what are arguably only small blips in a cross-Strait military situation that has not changed significantly in 50 years. (China wants to take Taiwan, by force if necessary, but does not have the military capability to carry out a full-scale invasion. The U.S. is against both China taking Taiwan by force and Taiwan making any sudden movements toward independence or retaking the mainland, and has the military capability to back up its position.) A concentration on such minutiae can inflate the perceived importance of small blips, and in general, an academy convinced of the strategic interdependence of China and Taiwan's behavior looks for evidence that justifies its position, which in turn reinforces and justifies the focus of the Taiwanese government. If there is little interdependence, why spend so much energy studying it? Less emphasis on cross-Strait relations in academia could have a positive effect both on academia and on Taiwanese politics. To a large extent, academia accurately reflects the chief concerns and fault lines in Taiwanese politics, and it would vastly inflate the importance of academics or Track II dialogues to say that a change in academia would result in a sea change in Taiwanese politics. But those who study non-Taiwanese issues could find innovative lessons in their studies that are relevant to cross-Strait relations, and put Taiwan and China's relationship into a broader context that might eventually filter up to the Taiwanese government.

China

- Withdraw objections to Taiwan's membership in international organizations that do not require sovereignty for membership, and in general, pull back on efforts to marginalize Taiwan diplomatically.

China has oriented a fairly large portion of its foreign policy efforts toward marginalizing Taiwan diplomatically. While it has largely been successful, the effect has been to magnify Taiwan's perceived importance to the Chinese government, and enmesh the Taiwan issue in issues that are essentially unrelated, such as China's 1999 UN Security Council veto of peacekeepers in Macedonia because Macedonia retained relations with Taipei. China's efforts do nothing to deter the U.S. from defending Taiwan, and belie PRC claims that its relations with Taiwan are purely an internal affair, since the de-recognition campaign carries the conflict to every other country, and increases the likelihood that a political decision made by a third party will have unwelcome ramifications in cross-Strait relations. China should stop focusing on de-legitimizing Taiwan internationally and start acting like a great power.

- As long as the government is not going to move toward democracy and free speech, stop allowing protests against the U.S. and Japan as outlets for Chinese anger against political impotence.

While it would be a stretch to say all anti-U.S. and anti-Japan protests (such as the recent demonstrations in Shanghai) are fomented by the Chinese government, the government does take advantage of them to deflect attention from its domestic policies, allowing the masses to blow off steam, and building popular support for the government by demonizing "the Other." While this strategy may work for a while, and the government has been rigorous about cracking down after a few days of venting, there is always the risk they will spiraling out of control and turn against the government itself. Often the anti-U.S. and anti-Japan protesters adopt harder stances than what the Chinese government is willing to take, resulting in implicit criticism of the leadership that is essentially nationalist in perspective. In the case of Taiwan, Beijing has adopted a hawkish stance. Chinese young people have been brought up with a steady diet of rhetoric about Taiwan, and the government has staked more of its "legitimacy" on reclaiming Taiwan than on its relationship with Japan or the U.S. It is possible that demonstrations over Taiwan will be even more emotional, more prone to spin out of control, and more likely to push the government to take more hostile measures than it would otherwise have taken, lest the demonstrators begin attacking the leadership for failing to live up to their nationalist credentials.

United States

- Continue to provide for Taiwan's defense as required by the Taiwan Relations Act.

- Emphasize privately to the Taiwanese government the length of time needed for any U.S. intervention (which may or may not come) in the event of a Chinese invasion.

- State publicly that the U.S. will not come to Taiwan's aid if it declares independence.

Since the U.S.'s stated desire is for a nonviolent resolution to the Taiwan issue, and official U.S. policy acknowledges that there is one China, the U.S. is in a position to define the outer limits of acceptable behavior by both China and Taiwan. Attempting to play honest broker between China and Taiwan would be a mistake, as well as a violation of the Six Assurances. These measures are to deter Taiwan from declaring independence, to encourage it to take its own defense seriously, and to deter China from acting aggressively. Leaving the definition of "independence" to Taiwan and China maintains a certain ambiguity while giving pro-independence activists second thoughts about trying the patience of China or the U.S., even if they do not particularly want good relations with China. Continually emphasizing the length of time needed for any U.S. intervention, in concert with Taiwanese military plans to fight without U.S. aid, will hopefully encourage the Taiwanese leadership to take the threat seriously: they themselves need to raise the cost to China of attacking Taiwan, and to be more careful with their words and actions.

East Asia

- Seek agreements among China, ASEAN, Taiwan, Japan, South Korea, and the U.S. guaranteeing protection of the sea lines of communication (SLoCs) to the east and west of Taiwan.

- Expand natural resource exploitation cooperation agreements among Taiwan, ASEAN countries, and China.

Southeast Asian states are playing a delicate balancing game between the U.S. and China. While many ASEAN countries, such as Singapore, Thailand, and the Philippines, have long been close to the U.S., and others, such as Malaysia, cooperate with the U.S. more discreetly, China's rise has led them to engage with the PRC more actively than in the past. ASEAN countries' primary interest in cross-Strait relations is not being drawn into any conflict that might erupt between the U.S. and China over Taiwan. While all ASEAN countries have a "one China" policy, they are unlikely to support China in the event of a military conflict (especially if China precipitated the conflict to deflect attention from a domestic economic or political crisis), but neither would they be enthusiastic about providing logistical support to U.S. military operations.

The two aspects of the Taiwan issue most relevant to Southeast Asian nations are the South China Sea dispute and the safety of sea lines of communication around Taiwan. Since both China and Taiwan have claims in the South China Sea that conflict with the Philippines, Indonesia, Brunei, Malaysia, and Vietnam, there have been clashes, but in recent years the trend has been toward agreeing to disagree, delaying decisions on sovereignty, and entering into pragmatic "private" agreements for natural resource exploitation, such as the March 14, 2005 agreement between the national oil companies of China, the Philippines, and Vietnam on oil exploration. Expanded economic opportunities for Taiwanese companies in Southeast Asia, and greater ASEAN-Taiwan cooperation in all areas *except* official recognition of sovereignty would strengthen the hand of those in Taiwan who claim that the status quo is adequate for Taiwan's continued growth.

Japan, South Korea, and ASEAN members are also deeply concerned about the security of the SLOCS around Taiwan in the event of a conflict, since nearly all of Japanese and South Korean trade with ASEAN passes near Taiwan (including most of Japan and South Korea's oil). None of these countries want to insert themselves into the Taiwan conflict unnecessarily, but an agreement about securing the right of passage around Taiwan in the event of a war or a blockade would calm other countries' fears about a China-Taiwan-U.S. conflict ever so slightly while emphasizing to China and Taiwan that their dispute, no matter how "internal" China wishes to make it, takes place within the larger context of East Asia that has no interest in a war.

The measures outlined above are less ideal than realistic. The best solution to the dispute would be for China to democratize, remove its missiles from Fujian, make an offer to Taiwan, and have the Taiwanese vote on it. That may happen eventually, but for now policies that call for trying to strengthen ties between China and Taiwan with high-level visits,

confidence-building measures, exchanges, and the like only complicate the relationship, dragging it to highs that can quickly turn to lows, and overemphasizing the interdependence that exists between China and Taiwan, thus leading to a *greater* chance of conflict. Warm and happy feelings are overrated. The best solution is a cooler relationship with less interdependence and more mutual deterrence.

Improving Fundamental Understandings in Cross-Strait Relations

By Anne Hsiao

There have been a plethora of expert analyses of the state of affairs, as well as suggestions for how to prevent cross-Strait armed conflict, how to encourage a return of cross-Strait dialogue, even how to achieve a final settlement. However, the political relationship between the People's Republic of China (PRC) and the Republic of China (Taiwan) has been dire during the past five years, and is in need of a breakthrough. This is in sharp contrast to developments in other areas such as trade, economics, and culture. This paper suggests that the lack of trust between the two sides across the Taiwan Strait is the root of the political stalemate. Each side needs to reassess its perception of the other to break the deadlock.

Understanding Taiwan's distrust of the PRC

For Taiwan, the prevailing official sentiment is that PRC has been using "united front tactics," exploiting cross-Strait relations to divide the people of Taiwan. In a policy paper published earlier this year concerning cross-Strait relations, the Mainland Affairs Council said:

Taiwan has always pursued peace and reconciliation between the two sides of the Strait. In contrast, China, with its communist mentality has focused on class struggle and taken cross-strait exchanges as a means to form a united front. Specific exchange issues have been manipulated by China to its own benefit, thereby creating conflict and confrontation among the people of Taiwan. China has also publicly announced its intention to promote three types of war: psychological, public opinion, and legal. Furthermore, Hu Jintao, General Secretary of the Chinese Communist Party, has explicitly claimed that China's propaganda would "penetrate the island, enter each household, and seep into every individual's mind." China's hostile guiding principles have made sound development of cross-strait exchanges impossible. No amount of sincerity and goodwill from Taiwan could change this.

The concern of the DPP government may be real. On March 4, 2005, President Hu delivered a four-point guideline on cross-Strait relations, in which he declared the willingness to talk with any individuals or any political parties in Taiwan that recognize the "one China" principle and the "1992 Consensus." Within two months of the adoption of the anti-secession law on March 14, Taiwan's main opposition leaders – Lien Chan of KMT and James Soong of the People First Party (PFP) – each made a high-profile trip to mainland China in April and May, and reached agreements with Hu, China's president and Communist Party chairman. The PRC subsequently announced a series of measures – offering two pandas to Taiwan, the decision to abolish import tariffs on 15 kinds of fruit from Taiwan, consideration of relaxing restrictions on Chinese tourists to Taiwan – but all without any direct communication or consultation with the DPP government or its authorized private representatives. This invites legitimate suspicion that Beijing is trying to coerce President

Chen Shui-bian and the DPP government into accepting China's own terms for negotiation by building up Taiwan's domestic pressure through opposition parties or the people.

Understanding PRC's distrust of Taiwan

For the PRC, Taiwan's current political leadership suffers a serious credibility problem. Beijing regards President Chen as a separatist, despite attempts by Chen and his government to ameliorate tensions across the Taiwan Strait. This has been clearly set out in a statement by the Office for Taiwan Affairs under the Central Committee of the Chinese Communist Party and the Taiwan Affairs Office of the State Council on May 17, 2004, just three days before Chen was due to deliver his second-term inaugural speech. The statement made the following claim:

Four years ago, Chen Shui-bian pledged himself to the so-called "five no's" policy. His track record, however, was one of broken promises and bad faith. He said he would not declare "independence, but he has mustered together all kinds of separatists for "Taiwan independence" activities.

To most analysts, the statement was aimed preventing President Chen from bringing Taiwan any closer to *de jure* independence.

PRC's basic position on cross-Strait relations is unambiguous, namely, the "one China" principle is the fundamental basis and premise for peaceful reunification. "One China" means that there is only one China in the world, and both the Chinese mainland and Taiwan belong to the one and the same China. Beijing will not tolerate any deviation from the "one China" principle as it defines it, and is prepared, if necessary, to use any means of coercion, including military force, to bring an end to Taiwan's independence. Such a position has now been promulgated into law after PRC's National People's Assembly adopted the anti-secession law.

There may be good reasons for Beijing to be suspicious of President Chen Shui-bian's "sincerity" and "good will" to cooperate for reunification. After all, President Chen has never accepted the pre-condition laid down by the PRC for resuming talk with Taiwan – accepting the "one China" principle and the so-called "1992 Consensus." Instead, President Chen indicated in 2000 that "one China" was a matter for the future. He has also stated, on numerous occasions, that the Republic of China on Taiwan is a sovereign country, that it does not belong to others, and is not a part of another country. Therefore, "Taiwan and China are standing on opposite sides of the Strait, and there is one state on each side." Concerning the "1992 Consensus," Chen was quoted to have argued, that in fact "there was no consensus of 1992, not to mention the "one China, different interpretations." We can neither accept nor concur with either "the consensus of 1992" or "one China." Should Taiwan become another Hong Kong, the Republic of China would cease to exist and Taiwan would perish as a state.

Suggestions for Taiwan

According to the current trends, the balance of power between PRC and Taiwan is becoming increasingly asymmetrical. The lack of trust between the two regimes across the Taiwan Strait have prompted Beijing to adopt "pre-emptive" as well as proactive measures that actually put more pressure on President Chen and the DPP government, both internally and externally. There is a risk that Taiwan could lose its leverage in cross-Strait negotiations in the next few years if the PRC succeeds in further alienating Taiwanese opposition parties or undermining President Chen's authority by manipulating domestic politics. Since none of the main political parties in Taiwan actually subscribes to the PRC's notion of the "one-China" principle, which envisages the reunification of Taiwan under PRC's "one country, two systems" formula, it is crucial for the DPP government to work with the opposition to form a consensus on fundamental issues including the "status quo," "one China policy," and a framework for resuming talks with Beijing. A stronger, broader consensus on these issues within Taiwan will help provide further clarity for the PRC and for other international third parties, particularly the U.S., regarding the entity's collective will. It is suggested:

The government continues to encourage and support Track II activities. Track II allows current or ex officials, academics, and other practitioners (such as business or NGOs) to exchange views and develop ideas in a informal and open environment, which can be conducive to promoting understanding and confidence building. In particular, a working group can be set up to study the common views of Taiwanese stakeholders toward the "status quo" and the future of cross-Strait relations.

The government could consider accepting visits of high-rank Chinese officials to Taiwan in an informal capacity. Government, political parties, and the media should exercise political restraint to avoid over-politicizing or publicizing such visits.

Suggestions for PRC

To the PRC, it is important to point out that within the context of the Koo-Wan Talks in 1992, the fact relevant to the "1992 Consensus" was this: Though both sides of the Taiwan Strait insist on the one China principle in the process of joining efforts to pursue national unification, they have different understandings about the substance of one China. Thus the two sides reached the agreement to verbally state their respective one China positions. A comparison of Taiwan's "one China" position put forward by Taiwan to that expounded by President Chen may lead one to find that apart from the omission of a reference to the term "one China principle" in Chen's position, the two positions differ little in substance. Therefore, the PRC should reassess its present selective, or exclusive, approach vis-à-vis the Taiwanese authorities, and explore talks with President Chen's government based on a mutually acceptable formula. Through engagement, Chen's government will be more likely to adopt policies that are more conducive to reducing hostility and promoting cross-Strait stability and prosperity. It's suggested:

1. The PRC government develop a more thorough and sophisticated understanding of Taiwan's perception of the cross-Strait status quo and its future.

2. Beijing refrains from overpoliticizing and obstructing Taiwanese NGO's normal participation in international functional for a including UN venues under their own appropriate names. Meanwhile, Bejing and Taipei could try to reach a tacit understanding on this issue.

Suggestion for the U.S. and other third parties

A peaceful settlement to the cross-Strait conflict will serve the interest of U.S. and Asia. The U.S. and other key regional and international players are called on to help foster an environment where *sustainable* peace may be created between the PRC and Taiwan. For this, they are urged to renew their understanding on the evolving situation across the Taiwan Strait and each side's respective stance, while supporting only political settlement through peaceful means. Increasing exchange and collaborating studies could facilitate progress.

Conclusion

The persistent stalemate across the Taiwan Strait suggests that both Beijing and Taipei's policies have failed and reorientation is needed. It is felt that improving understanding on fundamental issues of cross-Strait relations is crucial for reducing the existing perception gap and the distrust, reducing hostilities, and avoiding miscalculation between the two sides. This can help create more incentives for the PRC and Taiwan to find steps other than force to work toward a solution for one of the world's most long-standing and complicated conflicts.

Talking Cross-Strait Stability before Defining Peaceful Resolution

By Kazuyo Kato

Japan's policy toward the Taiwan Strait

When the United States and Japan issued a joint statement in the U.S.-Japan Security Consultative Committee ("2+2" meeting) on Feb. 19, 2005, the People's Republic of China (PRC) was quick to criticize the two countries. The joint statement confirmed that the U.S. and Japan shared a common strategic goal in the region to encourage the "peaceful resolution of issues concerning the Taiwan Strait through dialogue." This statement was issued about a month before the PRC's official adoption of the "anti-secession law," which provided legal grounds for the PRC to use "non-peaceful means and other necessary measures" to protect its territorial integrity should secessionists advance toward independence or the possibilities for peaceful reunification become exhausted. The PRC condemned the joint statement as an act of interference in the PRC's domestic affairs.

On the other side of the strait, however, was another story. In the March 2005 poll conducted by the Institute for National Policy Research (INPR) and Berkeley Opinion Research, Ltd., approximately 71 percent of Taiwanese respondents chose to "disagree" with the anti-secession law's assertion that the dispute over rights between the PRC and Taiwan is an internal matter and should not be interfered in by any other nation.[14]

Indeed, stability in the Taiwan Strait is vital to Japan's security interests, and Japan has much reason to be engaged in the issue. A Taiwan Strait conflict, for one, will impinge on Japan's freedom to transfer goods and its essential energy resources along its sea lanes. Japan is also a host nation for approximately 45,000 U.S. forces. Given the U.S. commitment in the Taiwan Relations Act of 1979 to "maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan," Japan would also be affected by U.S. involvement in a cross-Strait conflict.

Although some analysts argue that the February joint statement indicated Japan's stronger commitment to join U.S. military actions in a potential Taiwan Strait crisis, Japan's policy on the Taiwan issue has been consistent since the 1969 Nixon-Sato Joint Communiqué. In this communiqué, the U.S. and Japan confirmed what would officially be stated by Japan and the PRC in Article 3 of the 1972 PRC-Japan Joint Communiqué: "The Government of the PRC reiterates that Taiwan is an inalienable part of the territory of the PRC. The Government of Japan fully understands and respects this stand of the Government of the PRC, and it firmly maintains its stand under Article 8 of the Potsdam Proclamation."[15] Moreover, Japan's response still hinges on Article 9 of its Constitution.

[14] http://www.tp.org.tw/survey/Survey-ASL.pdf

[15] Article 8 of the 1945 Potsdam Proclamation authorizes implementation of the 1943 Cairo Declaration that "all territories Japan has stolen from Chinese, such as Manchuria, Formosa [Taiwan], and the Pescadores, shall be restored to the Republic of China."

In essence, Japan's policy toward the cross-Strait relationship has always been to oppose any unilateral attempt to change the status quo by either side of the Strait. This status quo is maintained as long as two conditions are met: 1) Taiwan does not seek *de jure* independence, and 2) the PRC does not use any force or other coercive means to achieve unilateral reunification. While a "peaceful resolution" could entail Taiwan's *de jure* independence or reunification of Taiwan and the mainland, peacefully achieving either option would require the two sides to share the same values and interests. Currently, this prospect seems unlikely.

Recommendations to maintain cross-Strait stability

Little means may exist for a third country to improve the cross-Strait relationship. This relationship is different from any other relationship, including the two Koreas or the former West and East Germany, and has no precedent to model itself after. Moreover, the PRC considers the cross-Strait relationship to be a domestic issue. Japan is in an especially unfavorable position to assist politically, given its tense relationship with the PRC.

However, given the importance of cross-Strait stability for national as well as regional peace and stability, Japan, together with others in the region, must try to provide credible deterrence against any destabilizing moves or developments. To do so, the costs of destabilizing the status quo should be kept very high on both sides of the Strait.

First, Japan should maintain a strong military alliance with the U.S. and a vibrant economy to prevent the PRC from resorting to the use of force. Despite its rapid military expansion, the PRC is still reported to be at least two decades behind the U.S. in military technology and capability. While PRC's 2004 GDP (PPP) ranks third after the U.S. and the European Union at $7.2 trillion, its GDP per capita (PPP) in 2004 was $5,600 – the level of Japan's GDP per capita in the mid-1970s – whereas those of the United States and Japan were $40,100 and $29,400, respectively. Moreover, although the PRC's growth rate in 2004 was 9.1 percent, questions remain regarding the sustainability of this growth rate given its societal problem, and the natural course of things as China moves toward becoming a more mature economy.

Second, Japan should help lessen the PRC's burden to acquire more resources and try to calm its quest for military expansion. The PRC's military projection capabilities make the region extremely nervous about Chinese intentions – they lack transparency, as Defense Secretary Rumsfeld repeatedly indicated in his meetings with Chinese officials during his visit to Beijing in October 2005 – and are very destabilizing. Japan, together with other countries, can cooperate with the PRC to develop energy-conserving technologies that can support the PRC's expanding economy. For example, Japan and the U.S. can help develop advanced clean coal technology and foster use of renewable energy sources to reduce the PRC's reliance on oil. Japan can initiate a Japan-China-U.S. Working Group to discuss those ideas, similar to the U.S.-China Energy Working Group that the U.S.-China Economic and Security Review Commission recommended to the Congress to establish.[16]

[16] U.S.-China Economic and Security Review Commission, "2005 Report to the Congress of the U.S.-China Economic and Security Review Commission." 109th Congress, 1st session. 9 November 2005. Available from:

Third, Japan and the U.S. should support Taiwan's observer status in the WHO and other international organizations to reward Taiwan's commitment to democracy and open market system. Taiwan may find less incentive and need to seek *de jure* independence if it can experience not only freedom and equality within, but also an equal opportunity to represent itself in, the international community. Taiwan was unable to participate in the international conference on avian flu held in Canada in October 2005. Rejection based on politics not only hurts global health, but also creates frustration among the Taiwanese people who could resort to *de facto* independence.

Fourth, Japan and the region should invite youth from the PRC and Taiwan, along with their own future leaders, and host a conference in their countries or in Taiwan so they can interact and discuss cross-Strait issues. A U.S. nonprofit organization has already implemented such an idea.[17] Direct interaction among the people of Taiwan, the mainland, and other countries in the region can cultivate affinity and mutual understanding that can prevent miscalculation based on ignorance. Such experiences can be especially beneficial to the youths from other countries in the region, as it can help them to personalize the cross-Strait issue and create a stronger sense of responsibility for and stake in contributing to create a better situation.

Finally, Taiwan and the PRC can adopt practical means to increase informal exchanges between their peoples. Interactions between the people of Taiwan and the mainland will help depoliticize areas of cooperation such as education, sports, and business. There has been progress on this front. In June 2005, Taiwan authorized three policy initiatives to promote civilian and business exchanges with the PRC, including negotiations on direct cross-strait cargo flights; negotiations on Taiwan agricultural exports to the PRC; and bilateral talks to allow PRC citizens to sightsee in Taiwan. Taiwan is also allowing more mainland journalists to work there. The PRC is currently approaching Taiwan to have another round of nonstop charter flights for the Lunar New Year in January 2006.

In addition, the PRC can allow more Taiwan-run primary schools, especially in big cities. Taiwanese investors with young children would then be more willing to conduct business in the mainland. For its part, Taiwanese universities can also continue to increase invitations to mainland students. Taiwan should recognize diplomas issued by mainland schools, despite low recruitment rates in Taiwan universities. Some students are dissuaded from studying in the PRC because of unstable cross-Strait relations and from fear of being discriminated in the job market after graduation. However, given the growing importance of having connections in the PRC to conduct business, Taiwan can consider fostering the option as an investment for a better Taiwanese economy. Finally, the two sides could also consider allowing the Taiwan dollar to be used in the mainland to facilitate economic interaction.

<http://www.uscc.gov/annual_report/2005/annual_report_full_05.pdf> (accessed 9 November 2005).

[17] Pacific Forum CSIS, Young Leaders Fellowship Program in Taipei, Taiwan, October 2005.

Conclusion: toward democracy

In another INPR survey conducted in Taiwan this year, respondents chose "maintaining the status quo, [and] depending on the situation either unify or become independent," (34.7 percent) as the most preferred outcome of the cross-Straits relationship.[18]

Although it remains unclear what "situation" would prompt the Taiwanese people to lean toward unification or independence, one cannot conclude from these results that the Taiwanese people are indecisive about what they seek for their future. Rather, the results may indicate a realistic assessment of the current situation. Perhaps the Taiwanese people know that as long as the PRC allows Taiwan's *de facto* independence, there may not be much more that Taiwan should do, especially given the PRC's ambitious military expansion.

At this point, however, Japan and the region should be prepared for any scenario, which includes Taiwan's reunification with a country that does not share interests and values conducive to theirs. Japan is a believer and a promoter of democracy and freedom. Hence, while the maintenance of the status quo remains important, Japan should make utmost efforts to support a government that upholds those same values, which provides people with the ability to speak about their government without fear, and allows the people to be part of the decision-making process about their own future.

[18] http://www.tp.org.tw/survey/Survey-KMT-CPC.pdf (The outcomes were followed by "maintaining the status quo forever" (23.2 percent) or "maintain the status quo, eventually become independent" (19.3 percent), "maintain the status quo, eventual reunification" (11.4 percent), "independence" (6.8 percent), "unification" (1.8 percent), and "no comment" (2.8 percent))

A Cross-Strait Peace Project

By Le Dinh Tinh[19]

Writings on international relations in the Asia-Pacific, more often than not, refer to cross-Strait relations between Taiwan and China as a potential hotspot that might disrupt peace, stability, and prosperity in the region. If war breaks out, the relative stability that the region has enjoyed since the end of the Cold War might give way to insecurity. While I agree with that view, I also want to call attention to the fact that there exists a widow of opportunity for a long-lasting peace across the Strait.

A mutually reinforcing logic lies behind that assumption of a peace opportunity. According to that logic, the discursive and practical construction of cross-Strait relations could be made in ways that are conducive to maintenance and promotion of peace. Peace much like a social construct could become intelligible through intensifying social interaction.

Thus, let me provide several policy initiatives that Taiwan, China, the United States, and the region can undertake to improve cross-Strait relations.

Taiwan

As one of the two direct parties in cross-Strait relations, Taiwan could play an important role in promoting the peace discourse:

- Taiwan's leadership can insulate its foreign policy from its domestic politics. Provoking China to gain political capital domestically is not in the interest of the Taiwanese people as a whole. How can Taipei do that? The separation of Taiwan's foreign policy from domestic politics will occur only if foreign policymakers become less partisan. Taiwan's highest legislative body needs to set up a committee that closely oversees foreign policy made by the executive and that is composed of representatives of different political-social organizations, particularly the Democratic Progressive Party (DPP) and the Kuomintang (KMT). This will help guarantee that no decision will be made with regard to Taiwan's independence without broad consultation and the consensus of all parties concerned.

- Taiwan authorities across the spectrum could continue to create favorable conditions for promoting people-to-people relations. This may come through education and cultural exchanges, business contacts and cooperation, and other personal relationships. In Shanghai alone, about 300,000 Taiwanese are working and doing business. To a great extent, China welcomes this. The Ministry of Education of Taiwan could launch a public campaign that makes real the idea that people on either side of the Strait enjoy many opportunities to warm up the relationship. In particular, the youth in Taiwan, although they don't have a strong connection with the mainland since they have been born in Taiwan, might want to take on the argument of building a "distinctive Taiwanese" identity.

[19] The views expressed here are only the author's.

China

China faces tremendous challenges and opportunities to improving the relationship with Taiwan. But it is the opportunities that need tapping, because China is on its way to become a comprehensive power. (And by "power," I mean it is able to shape outcomes.)

- China can establish a Special Committee for Peace Across the Strait, members of which are top-ranking leaders, that makes sure that solutions to the Taiwan "problem" are peaceful. China is financially, administratively, and legally capable of setting up and running such a committee. China, like any other political and economic center of the world, wants to demonstrate its positive worldview and actions.

- Backing up this committee would be in a domestic and international campaign that calls for the promotion of a peaceful and constructive cross-Strait relationship. Central to this campaign is the belief that the "one-China" policy could be realized by means other than force and that restraint from any threat or use of force is highly praised by the international community, including the U.S. Such a peaceful solution would ensure continuing flows of trade, investment, and finance across the region. Similar to the Taiwan side, youth in China can make active contributions to enriching the international discourse on peace across the Strait. By exchanging views, they could accentuate why and how thinking outside the box when dealing with conflict resolution is beneficial to the future of China as a powerful and responsible country.

- The "security dilemma" could be overcome if the Chinese government facilitates people-to-people interaction. China could also view Taiwan's investment in China as adding weight to economic cooperation between the two sides, and not falling into the domain of "high politics."

The United States

Even though the U.S. is neither a direct "player" nor a "referee" in cross-Strait relations (and it is not a game), its attitude is vital to peace and stability between the two sides and the region as a while.

- Given its strategic position in the Asia-Pacific and in cross-Strait relations in particular, the U.S. could play the role of offshore balancer – that is, practically maintaining peace and stability without direct (military) involvement. In this connection, the U.S. might want to give up its "strategic ambiguity" toward Taiwan in exchange for greater trust from both China and Taiwan.

- The U.S. is home to the largest amount of literature on international relations, and therefore, makes up a critical portion of the discourse on cross-Strait relations. Because this discourse could go beyond the Cold War mentality, relations across the Strait need more "objective" description, analysis, and diagnosis. These writings can push the peace mentality – one that makes people believe in the benefit of cooperation.

The Asia-Pacific region

This region remains devoid of an institution that regulates security relations between countries. However, certain groups such as APEC might, in the absence of an overarching regional security arrangement, make some contribution to the maintenance of peace across the Strait.

- APEC is not a security institution, but it could play a role in elevating the sense of regionalism through its economic, trade, and investment facilitation mechanisms. This sense of regionalism, in turn, raises the awareness among countries about the interdependence of and interconnectedness between economies. APEC, via its affiliated national research centers, might sponsor an education program that either empirically or theoretically sought to prove to the public that war is costly given the economic links between China, Taiwan, and the rest of the region.

- Other countries in the region can use mechanisms such as the ARF to organize special forums, including a youth forum, on cross-Strait relations. These forums could work in tandem with the spirit of other processes of the ARF, such as confidence-building and preventive diplomacy. Because Taiwan is not a member of this regional institution, regional countries can work with China and Taiwan to further promote CSCAP as an effective track-two adjunct to the ARF. Sovereignty remains a highly sensitive issue in international relations, and therefore, track-two diplomacy provides a good avenue for discussing issues of grave concern to China, Taiwan, and other regional governments.

Blocker or Broker?
the Role of Taiwan in Sino-Japan relations

By Fan Li

Japanese Prime Minister Koizumi Junichiro won a huge mandate in his country's Sept. 11, 2005 elections. By calling the ballot a vote on "postal reform," Koizumi artfully framed the debate as being between the pro-reform Liberal Democratic Party (LDP) and anti-reform opponents. Thus, it seems natural that foreign affairs were almost totally absent from pre-election debates. However, Koizumi's overwhelming victory was based on a public perception of his leadership style, not his policy. As part of his appeal stems from the strong stand he has taken with China, his victory is problematic for the increasingly tense relations between Asia's two giants.

There are many causes of conflict between Japan and China: historial issues, especially opposition to visits to Yasukuni Shrine, always top the list. However, Taiwan will probably become the bigger issue in the two countries' relationship.

Japan and Taiwan have a strong and multifaceted relationship despite the lack of official ties. This relationship is underpinned by a shared history of 50 years of relatively benign and progressive Japanese colonial rule: the colonial government not only improved the infrastructure of the island and promoted economic growth and better health standards, but also successfully pursued a policy of integrating *(douka)* the Taiwanese population through Japanese education. Despite being second-class imperial subjects, Taiwanese revulsion against the KMT mainlanders makes Japan and its colonialism seem particularly attractive.

The passing of the "integrated generation" in Taiwan does not mean that younger Taiwanese who did not experience colonialism are not favorably disposed toward Japan. Japan exerts a major influence on Taiwan's popular and youth culture. Trends in J-Pop, music, fashion, fast food, trendy TV dramas, computer games, *manga* (comics) form the tastes and behavior of Taiwanese youth, although they are also attracted to American culture. Furthermore, many young Taiwanese who are called *"Hari-zu"* (Japan lovers) went to Japan to learn the language and to acquire a deeper knowledge of its culture.

This cultural integration shapes the bright part of Japan-Taiwan relations, but when it comes to politics, things get tricky. Unlike the PRC and the two Koreas, Taiwan rarely openly criticizes Japan for its wartime atrocities or demands an apology from Tokyo. Instead, Taiwan's Democratic Progressive Party (DPP) leaders call for Japan to play a larger political role in international affairs commensurate with its economic standing. The message is clear: Taipei hopes that greater Japanese activism in international relations will induce Japan to oppose, or at least not support, mainland China's actions that may threaten the Taiwan government's interests.

Taiwan assiduously cultivated better relations with Japan to bolster its security and expand its international space during the tenure of President Lee Teng-hui; fluent in Japanese and strongly rooted in Japanese culture, Lee mesmerized not only the political elite but also won broad-based support from the Japanese public for Taiwan's request for security and independence. Strong political ties are evident in the visits and exchanges between Japanese politicians and major candidates in the 2000 Taiwanese presidential elections. Top Taiwanese businessmen and their Japanese counterparts also have established a friendship club with the aim of bringing together the next generation of business leaders.

Not surprisingly, many Japanese view Taiwan as the friendliest political entity toward Japan in Asia because the Japanese are not well loved by their Asia neighbors for reasons known to all. Japan's cross-Strait policy is official in the 1972 Sino-Japan Joint Communiqué; but whether Japan directly recognized that Taiwan is part of China has always been debated in Japan since the statement says the "Japanese Government fully 'understands and respects' the stance of the Chinese Government on the Taiwan question, which is that Taiwan is an inalienable part of the People's Republic of China." The symbol of Tokyo's ambiguous attitude toward cross-Strait relations was Tokyo's resistance to the so-called "Three No's" policy originally formulated by then U.S. President Clinton during his visit to Shanghai in 1998. (The policy is "no to Taiwan independence; no to one China, one Taiwan; no to Taiwan's participation in international organizations whose members are states.")

The U.S. and Japan issued a joint statement this February announcing that the two countries shared a common strategic goal to encourage the "peaceful resolution of issues concerning the Taiwan Strait through dialogue." A month later, China enacted the Anti-Secession Law, which provides legal grounds for the PRC to use military means to protect its territorial integrity.

Where is all this leading? If Taiwan is the key issue in Sino-Japan relations, is it in Taiwan's interest to see good relations between the two countries?

So far, Taipei seems to think not, but maybe it's time for Taiwan, and others, to reconsider. Relying on the alliance with Japan and the U.S. to stand against mainland China is just a temporary measure; the worst scenario for Taiwan is a war between mainland China no matter who wins, and the only way to prevent this from happening is for Taiwan itself to seek ways to improve understanding and communication with mainland China.

Good Sino-Japan relations are essential for Asia Pacific regional stability. If Taiwan aims to play a bigger role and achieve international recognition, it should abandon hopes of using conflict between China and Japan to support its movement toward independence, and adopt a positive and strategic approach to improve relations between the two countries. With its networks, knowledge, and cultural integration with Japan, Taiwan could take the initiative to facilitate dialogue and reconciliation between Japan and its Asian neighbors, especially China. Taiwan's contributions would also have positive effects on cross-Strait relations, which serve the interests of Taiwan.

Cross-Strait Hold'em:
Waiting for the River Card or Going All In?

By Dewardric McNeal

Historical pressures brought to bear on both Chinese and Taiwanese leaders are critical to understanding the depths of Beijing's determination to reunite with Taiwan. History plays a large part in the Taiwanese determination to break free of domination as well. Plainly, the spirit of "221 BC" and of Emperor Qin Shi Huang Di burns deeply within the leadership of the PRC.

In Taiwan there burns another type of spirit that has not been broken by colonization and foreign occupation. For centuries Taiwan has been passed from one power to the next without regard for the wishes and desires of its people. So, self-determination has been a desire of many Taiwanese, particularly those with roots in the democracy movement and those in the current ruling party, the Democratic Progressive Party (DPP). But, at the moment, neither the Chinese spirit of "221 BC" nor the Taiwanese spirit of "self-determination" is gaining much ground with the other party. In fact, there appears to be a deadlock. That deadlock cannot last much longer without some sort of breakthrough (positive or negative), goes the argument.

Many policymakers, politicians, analysts, and citizens on both sides of the Strait believe that it is long past time to begin thawing the Cold War between China and Taiwan. They argue that renewed dialogue, which has been suspended for nearly 10 years, is more possible today than it has been in more than a decade. Many people accept that there may never be a "silver-bullet" solution to the problems associated with total reunification, but they are usually willing to accept that there are relationship-building initiatives that could be adopted that would improve relations between the parties.

Taiwan's cross-Strait initiatives

In the short term, it appears as though the Kuomintang (KMT) and the People's First Party (PFP), Taiwan's main opposition camps, are engaged in a "charm and be charmed" offensive with the Chinese Communist Party (CCP). They have successfully visited China and met with many high-ranking CCP officials and have had a number of discussions with Chinese bureaucrats. Among the most controversial agreements to come out of the recent dialogue between the KMT/PFP and the CCP is their mutual acknowledgement of the so-called "1992 Consensus," which addresses the "one China principle, with different interpretations."

The governing DPP has refused to discuss, let alone acknowledge, the existence of a consensus. Nevertheless, building on the momentum of their recent high-level exchanges, the PFP has introduced a bill in the Legislative Yuan that would give the legislature the power to set up a 17-person "special commission for cross-Strait consultations. According to the text, this commission would be empowered to appoint so-called "Peace Ambassadors" to

negotiate and sign agreements on cross-Strait peace, direct communications links, investment guarantee agreements, and cross-Strait free trade agreements.

Although the bill would violate the constitution by abrogating the powers of the executive branch and the president, the KMT/PFP opposition camp is seizing the opportunity to appear engaged and innovative in their proposals and approaches to the mainland. They seem to have calculated that there is an electoral advantage in appearing engaged and having the ability to reduce the tension and pressure in cross-Strait relations. For its part, the DPP has been reluctant to appear engaged and staunchly resists any new or innovative policy prescriptions to help break the stalemate in the strait. Some DPP defenders claim that stalemate, which some call the "status quo," is the DPP's only option. Since the DPP leadership is fully aware that many people, in the U.S. and in Taiwan, would never support a declaration of independence, stalemate is the best they can offer their hardcore constituency. S*talemate* may be the best-case scenario for the DPP's electoral constituency; however, public opinion seems to be moving in the opposite direction, toward those that propose some sort of "mutually constructive engagement" policies. While the public's "engagement meter" appears to register far short of reunification, the public has reacted warmly to what it perceives as attempts by the opposition to reduce tensions between China and Taiwan.

It should be noted that not everyone is supportive of the opposition camp's cross-Strait activity. Many Taiwanese question the overtures toward the Chinese and argue that opposition is too cozy with the Chinese. They point out that the pan-Blue has not received any substantial guarantees or substantive concessions from Beijing. Others are willing to give them the benefit of the doubt and are taking a "wait and see" attitude.

On the other hand, although not everyone is happy with the overtures by the opposition, many applaud their courage to initiate a high-level cross-Strait dialogue. So where is the DPP on these matters? Political analysts observing the run-up to the 2008 presidential elections in Taiwan argue that the DPP should offer ideas and initiatives that would improve cross-Strait relations as well.

They point out many mutually beneficial initiatives that could be offered by the DPP, which involve a wide variety of exchanges between mainland Chinese and Taiwanese. For example, exchange-based initiatives in the areas of science, culture, health, and education could be useful tools to help promote comprehensive understanding. A few proposals on education exchanges have already been offered by the PRC. In a Sept. 23 interview in the Hong Kong based newspaper *Ta Kung Pao*, Taiwan Affairs spokesman Wang Zaixi announced that "Taiwan students studying at schools of higher learning on the Mainland would now pay the same amount of fees as their Mainland [counterparts]." This appears to be an effort to attract more Taiwanese students to top-notch universities, such as Tsinghua and Beijing University, on the mainland. Only the KMT has shown an interest in these education initiatives, and there has been no indication that the ruling party has any interest in them and it has no plans to match the offer and give the same opportunity to Chinese students. While there are no guarantees or scientific data that suggest that education exchanges will bring about greater willingness to cooperate in the long term, it can do no harm to promote them at the university level. In fact, it is safe to assert that in most instances

student exchanges help to form and cultivate lifelong relationships that could be leveraged by future leaders to promote greater understanding between the two sides.

In addition to the educational exchanges and other initiatives, the DPP should move to establish direct mail, air, and shipping services across the strait. This initiative could prove to be economically beneficial to both parties. Moreover, if the Taiwanese government embraced the idea of direct links or the so-called "three-links," then it could lead to a more stable political environment.

Countless other initiatives and overtures have been proposed that could be used by the ruling party to help reduce tension and improve relations in the Strait. It seems, however, that the DPP's public position and only stated initiatives for improving cross-Strait relations and resuming dialogue has been to call for "rational dialogues" between Chinese and Taiwanese. On Sept. 21, 2005, while in Miami on a transit stop, President Chen stated his willingness to hold a "rational dialogue" with his counterpart Hu Jintao "without any preconditions." He went on to stress that the dialogue could be held "anytime and anywhere," but in the very next sentence he stated that the dialogue would be aimed at creating a "window of opportunity for democratic Taiwan and democratic China to co-exist." This may be read by some Chinese analysts as indeed a "condition" for dialogue or at minimum it could be interpreted as a strong expression of a desired outcome for the dialogue and a precondition for future reunification. It is clear to many that read the statement that it would be unacceptable to the Chinese and would not move the two parties closer to an official dialogue.

People's Republic of China: bluffs or breakthroughs

Although the China seems to be warming to *specific* individuals and institutions in Taiwan, that warmth is not extended to the ruling party. For this and for other reasons it seems prudent to remain cautious. By all indications the Chinese feel strongly about the electoral prospects for a pan-Blue victory in the upcoming 2008 presidential elections. The pan-Blue coalition feels strongly that they can win the presidency in 2008 and has determined that warmer relations with Beijing will be good for them politically. Internal political polls suggest that the public is open to measures that reduce cross-Strait tension and reflect that the public *cautiously* approves of pan-Blue actions – so long as they don't go too far. Broadly speaking, high-level party-to-party exchanges are a good start to better relations across the Strait, but real PRC policy changes are the only thing that matters in the long-term.

With that in mind, the Chinese could start showing real changes by working to improve upon the theory of one country, two systems (OCTS). It needs to be more clearly defined and more specifically tailored to fit the situation on Taiwan. So far the current manifestation of OCTS is codified within the 1984 Basic Law of the Hong Kong Special Administrative Region. Some Chinese officials believe OCTS could serve as a model for Taiwan's reunification with the mainland. The Taiwanese argue that many aspects of the "Hong Kong Model" are totally unacceptable. Some Taiwanese officials have suggested that even with a more clearly defined Taiwan-specific OCTS policy, they would still be reluctant to accept reunification with the mainland because "there are no guarantees that the Chinese

will abide by the terms" that are written on paper. Given Beijing's previous reneging on political promises, this is a valid concern.

The Chinese could work to overcome these concerns by taking concrete steps to abide by the sections in the Chinese Constitution that grant certain rights to minority groups and grants on paper a "high degree of autonomy" to certain areas in China. For example, Chapter 1, Article 4 and Section 6 Articles 113-122 define how the central government should govern areas like Xinjiang and Tibet. Unfortunately, Chinese actions fall far short of their legal promises on these matters. This failure makes it hard for Beijing to convince the Taiwanese that it is a serious and trustworthy partner. But if China began to fully abide by these articles in its constitution, it could go along way toward convincing the Taiwanese that they are serious about reunification.

If the Chinese want to establish goodwill and show how serious they are about peaceful reunification, then they should repeal the anti-secession law and allow Taiwan to more "international space" to operate and conduct activities appropriate for a sizable self-governing entity. China should stop blocking Taiwanese membership in international organizations such as the World Health Organization and various Bretton Woods institutions. Although UN representation is obviously off the table, there are plenty of other organizations that China could accept Taiwanese participation within the international community.

Conclusion

This essay only discussed three or four initiatives that Taiwan and China could implement to improve relations. There are other factors that contribute to the current state of affairs in the Strait. Most important among them is the influence of the United States in the region. Washington's balancing act, which combines the complex and delicate principle of one China, "strategic ambiguity" and the promise to defend Taiwan from Chinese acts of aggression as embodied in the Taiwan Relations Act, makes for more troublesome policy conundrums for each.

However, if the Chinese continue to develop a more nuanced approach to Taiwan and the two sides strive to adopt exchange programs, and grow more integrated economically, there is a strong possibility that the spirit of "221 BC" and the spirit of "self-determination" can find a way to peacefully coexist.

Cross-Strait Relations: Observations from a Southeast Asian

By Raymund Jose G. Quilop

The relationship between China and Taiwan is a ticklish issue. On the one hand, this issue is a multi-level problem, which involves various stakeholders: individual Chinese and Taiwanese, the governments of the two societies, and to other regional powers, as well as nonstate actors. On the other hand, this issue highlights a paradox in the contemporary international system: how to reconcile the territorial integrity of states (in this case, China) and the right of people to establish their own sovereign states (in this case, Taiwan).

From my perspective, the tension between China and Taiwan is rooted in China's consideration of Taiwan as a "rebel" province after the Chinese civil war in 1949, and its consistent declaration that China will not hesitate to use military force to retake Taiwan if the territory declares independence.

On a side note, such a declaration of independence refers to a formal declaration because from my view, Taiwan in substance is independent. It has its own government and has offices representing its government overseas. Although these offices are appropriately called "Economic and Cultural Offices," these function as *de facto* embassies of Taiwan's government. One could even argue that it is sovereign, in the sense that it has its own armed forces, which to my mind, is a requisite for a government to claim that it is sovereign. Its armed forces enable it to protect its territory and serve as the ultimate instrument for the government to exercise coercive authority over people found in its territory.

Interestingly, a similar observation was brought forth by some participants during the Asia Pacific Security Forum where members of the Young Leaders Program took part. Taiwan, as was noted, need not pursue a "formal" declaration of independence because it is independent as it is. In fact, its bid for formal independence may actually be detrimental to its interests and may undo what it has achieved as regards its place in the international community and relations with other countries, one paper presenter in the APSF argued.

In addition to China's consideration of Taiwan as a "rebel" province, the tension is also rooted in the Taiwanese sense that they are a separate and an independent nation. Thus, the idea of Taiwan being simply a rebel province was dismissed during the interactions I had with research institutes in Taiwan during the Young Leaders Program. Taiwanese scholars themselves have alluded to the Taiwanese sense of being separate from the mainland China even before the forces of Chang Kai-shek went to the island in 1949.

The idea of a separate Taiwanese identity has continued to grow, with surveys indicating that there are a growing number of people in Taiwan who now consider themselves purely "Taiwanese" while there is a decreasing number who view themselves as "Chinese." Surveys conducted by the National Chengchi University indicate that from June 1992 to December 2003, those that identified themselves as Taiwanese increased from 17.3

percent to 43.2 percent, while those that view themselves as "Chinese" decreased from 26.2 percent to 7.7 percent.[20]

Surveys also indicate that there is an increasing number of Taiwanese that favor independence. For example, the result of surveys from August 1996 to November 2003 show that while a majority of those surveyed still opt for the status quo, those favoring independence has increased from 16.2 percent to 23 percent and those opting for unification with mainland China has decreased from 26.8 percent to 12.2 percent.[21] A 2004 survey also indicates a decreasing number of supporters for unification (11.8 percent). Supporters of the status quo are still more than half (53 percent) and advocates for independence are 18.8 percent.[22]

Meanwhile, both China and Taiwan have been beefing up their military capabilities, presumably in preparation if military conflict erupts. In anticipation of a possible invasion by China, given China's sustained declaration that it is ready to use force if necessary and missile tests toward Taiwan, the territory has tried to build a military machine for defense. It has acquired *F-16s* and *Mirage 2000-5s*. It has also improved its air force early warning capabilities, its navy and anti-blockade abilities. It has also been improving its anti-missile and anti-aircraft weapons.[23] This has led analysts to believe that while China may enjoy superiority over Taiwanese forces in terms of quantity, Taiwan has the edge over Chinese forces in terms of quality.[24] Analysts from the various research institutes which the participants of the Young Leaders Program visited, however, were quick to dismiss the idea that Taiwanese forces have the edge over Chinese forces. One professor at Taiwan's Institute for International Relations even argued that Taiwan could not defend itself against Chinese aggression. This explains why the security blanket provided by the U.S. remains important and necessary.

It is therefore necessary that the relationship between China and Taiwan be managed so that a military conflict is avoided in the hope that the issue does not get to be settled through military confrontation. The issue would ultimately have to be decided upon by China and Taiwan, the primary actors involved.

This appears to be the prevailing sense in the region. The U.S. and other regional states including the Philippines, have consistently said that the China-Taiwan issue is an internal matter to be solved by China and Taiwan themselves. Nonetheless, other regional players – states as well as regional institutions – may play a crucial role in managing the situation.

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[20] See National Chengchi University Election Study Center, "Trend of Taiwanese/Chinese Identification", 2003 as cited in Ruperto Rico C. Borromeo, "Potential China-Taiwan Conflict: Its Security Implications to the Philippines" (Thesis for Master of Arts Degree in National Security Administration at the National Defense College of the Philippines, 2004), p. 67.

[21] See Mainland Affairs Council's Public Opinion Survey Summary Report 2003 found at http://www.mac.gov.tw/english/index1-e.htm.

[22] See Tim Johnson, "Taiwan is Forming its Own Identity", *Mercury News*, April 2, 2004 found at http://www.mercurynews.com/mld/mercurynews/news/world/8337378.htm.

[23] *Time Magazine*, Aug. 28, 1995, p. 14.

[24] See James H. Nolt, "China-Taiwan Military Balance" found at http://www.comw.org/pda/nolt99.pdf.

Each of the actors involved, therefore, need to adopt policy initiatives that would contribute to a better relationship between China and Taiwan. While it may be understandable why China insists that it will not hesitate to use force if Taiwan declares independence, refraining from issuing such pronouncements may lessen tension across the strait. I think it is a fact that it would use force if Taiwan makes such a declaration. But to continuously issue such pronouncements only adds tension to an already tense situation.

It may be useful if Taiwan's government likewise refrains from saying that an increasing number of Taiwanese favor independence and that a plebiscite to determine the real sentiment of the Taiwanese would be conducted. Such pronouncements also add to the tension between China and Taiwan. It may be true that there is an increasing number of Taiwanese preferring independence. Taipei should allow their number to grow without deliberate government intervention to increase. If and when the number of those preferring independence have become the overwhelming majority, then that would be the appropriate time for the Taiwanese government to say that independence may soon be declared, because it is the will of the Taiwanese people.

In the meantime, the governments of both China and Taiwan should encourage the free flow of trade and investments across the strait. While "who owns what territory" is something that may have been prime consideration in the past, the increasing economic interconnectedness of China and Taiwan may make the preoccupation with sovereignty and territory less of a concern for the two societies.

Relatedly, the governments of China and Taiwan may find it useful to refrain from enhancing military capabilities that are obviously meant to counter the other sides military superiority. This could only be possible if there is confidence and trust between the two governments. Thus, each of the two governments may find it useful to assure the other party that any improvement in its military capability is not directed at the other party.

Building confidence between China and Taiwan could best be achieved through various institutions in the region, both governmental and nongovernmental. These would include, the ASEAN Regional Forum (ARF) at the inter-governmental level and the Council for Security Cooperation in the Asia Pacific (CSCAP) at the nongovernmental level.

But bringing China and Taiwan into a dialogue amid other regional players through such institutions depends on the willingness of China in particular to allow and receive Taiwan in these mechanisms. It must be noted that China is hesitant to allow Taiwan to be part of the ARF process because it could be misconstrued as a *de facto* recognition of Taiwan as an independent state given the inter-governmental nature of the ARF. It should be recalled, for example, that China's initial resistance for the ARF to move on to the preventive diplomacy stage was rooted in its perception that preventive diplomacy could pave the way for other members of the ARF to "interfere" in its internal affairs, specifically over Taiwan, which it has always considered an internal matter. Thus, even while it has been pointed out that preventive diplomacy is voluntary in nature – it will be undertaken only with the consent of the parties involved – China continues to have reservations regarding the ARF taking a more proactive role in promoting preventive diplomacy measures.

Even with regard to CSCAP, a nongovernmental network of security think tanks in the region, China has not been receptive to the idea of bringing in Taiwan. And it is unfortunate that in spite of the original intent in CSCAP to provide "a structured process for regional confidence and security cooperation among countries and territories in the Asia-Pacific region," Taiwan and its scholars merely participate in the CSCAP as "observers." China was able to block Taiwan's full membership in CSCAP even before China itself became a member.

At the end of the day, the resolution of the issue between China and Taiwan, has to be decided upon by China and Taiwan themselves. Meanwhile, both could adopt policies that would pave the way for a peaceful resolution of the issue or not. The middle ground would be to simply maintain the status quo and leave the problem to future political leaders in both China and Taiwan.

Lessening Uncertainty without Strengthening Mistrust: Dual Deterrence and International Frameworks across the Taiwan Strait

By Ryo Sahashi

How should stake-holding polities in the region behave? To create a peaceful settlement in the Taiwan Strait and end the "blame game" in the Strait and the Pacific?

Recent developments, such as the Nationalist Party's victory in December parliamentary elections, the visits of opposition leaders to the mainland, and Taipei Mayor Ma Ying-jeou's accession as KMT leader, have shed new light on cross-Strait relations, but it's still unclear when cross-Strait dialogue will resume. At the same time, the United States is experiencing a resurgence of anti-China sentiment, including Congressional bashing of China's textile trade surplus and the value of China's currency, and is wary about the Chinese military buildup and Beijing's assertive military and diplomatic actions. Each polity's intentions and the conditions under which it would intervene are *uncertain*. Misperceptions and miscalculations exist, and there is no visible solution to the Taiwan problem. To seek it, we have to determine whether the dual deterrence by the U.S. will be useful in the long term, and whether an international framework for the Strait issue is feasible and beneficial. Moreover, we should consider the military and diplomatic implications of the "rise of China," and the impact and reality of the "rise of Taiwanese identity."

While this essay is too short to answer all these points in detail, it summarizes the author's perspective on the future of peace in East Asia.

Where's the uncertainty?

Unlike the Cold War era, *uncertainty* in calculating another power's military *capabilities* has been decreasing. The present power distribution is *unipolar*, which will last for some decades given the evolution in military affairs (RMA) and the size of the R&D budget in the U.S. China has tried to concentrate its military efforts on modernization and a Taiwan-oriented buildup, which might put psychological pressure on Taiwan even before there is a real change in the military balance. But it's clear that it is too difficult for China to catch up with the U.S. in terms of technology in the near future.

The uncertainty, therefore, lies in estimating the *intention* of each country. Misperception and miscalculation might be caused by a lack of transparency and mistrust. For example, the recent Pentagon annual report to Congress on the military power of China broadens its focus to examine Chinese intentions in its military power and foreign policies, not only military capabilities. Yet, it is uncertain how China will intervene in Taiwan before it catches up militarily with the U.S., even if Taipei provokes China with a declaration of independence or softer but still provocative actions. Also, it is uncertain how Beijing wants to "unify" in the present situation. Beijing's intentions regarding cross-Strait affairs should be analyzed by a realistic calculation of capabilities and the balance of power, and by domestic factors colored by nationalism, legitimacy, and national integration.

Beijing and Taipei have been puzzled by U.S. ambiguity when it comes to when it will intervene in the Strait. The U.S. is committed to defending Taiwan should China initiate a "liberation" operation, and it opposes Taiwanese provocations against China. Its reaction in less provocative scenarios – Chinese naval blockades, political and business harassment of pan-Green firms, a moderate change of Taiwan's constitution – is uncertain. It is also uncertain and difficult to estimate how far Taiwan leaders will go in the wake of "identity politics."

It is obvious that Washington, Taipei, and Beijing do not share the same political objective, even though almost all decision-makers in the three capitals and in this region agree on the significance of peace and economic prosperity along the Strait. The possibility of a peaceful exit for all actors could fail.

Dual deterrence – is it necessary?

Is the "dual deterrence" strategy still useful for keeping the status quo in the Strait? Will it work despite the rapid growth of Chinese power? The U.S. strategy in this region could be well represented by the concept of dual deterrence: "The United States warns Beijing not to use force against Taiwan but reassures it that we do not support what it fears, Taiwan independence. We warn Taipei not to take political initiatives that would provoke Beijing into using force, but we reassure it that we will not do what it fears, abandon the people of Taiwan."[Bush, 2005] Since the first Taiwan Strait crisis, to keep its credibility of its resolve against communism, the U.S. cannot abandon Taiwan, a former ally and democratized polity. At the same time, Washington feels the strong necessity to avoid a major war and maintain good relations with the potential great power, Beijing. The outcome has been to refrain from taking hawkish actions against China, which were often proposed domestically and urged by Taiwan, while instead seeking to influence Chinese leaders who seek modernization and to prevent Taiwan from initiating provocative actions. If the world remains unipolar, the need for U.S. efforts to maintain deterrence will not change. It surely contributes to keeping the status quo in the strait.

Past crises in the Strait teach us that ambiguity does not work in immediate extended deterrence. Ambiguous commitments sometimes encourage provocative actions by Beijing when it believes Washington will not intervene. Moreover, in the context of dual deterrence, ambiguity also encourages Taipei to take provocative actions. The uncertainty created by "strategic ambiguity" needs to be cleared up.

However, the apparent efforts to this end may provoke Beijing and Taipei and inflict damage on bilateral relations, as shown by the U.S.-Japan Strategic Common Declaration announced in February 2005, which mentions the peaceful resolution in the Taiwan Strait as a common strategic objective. Too much reliance on hard power would pave the way for hawks. Dual deterrence works and should be maintained, but to reduce uncertainty, it is also necessary to have a framework around the Strait. Clarity should be sought in a way that doesn't provoke any player.

International framework for cross-Strait dialogue

Cross-Strait dialogue has been halted. The problem lies in the fact that Beijing and Taipei don't want to compromise. In addition, without multilateral dialogue relations around the strait are entangled; clarity is needed.

The idea of an international framework has been repeatedly proposed. Kenneth Lieberthal and David Lampton recently published ideas in *the Washington Post* and *Foreign Affairs* [2005]. The essence is to get over mistrust, reduce tension, and let both sides have dialogue without fear of escalation to hostilities and war. Also, such proposals allow Taiwan to get more involved in international organizations at a regional and global governance level. The framework, or international commitment by the U.S. and other major powers (Japan, Russia, and EU), should restrain the behavior of both Beijing and Taipei and get them to agree to the pursuit of peaceful resolution without the use of force as long as the dialogue proceeds. In this context and to avoid a security dilemma, the Chinese offensive weapon (missiles) buildup along the strait should be suspended. Before there is any new pressure from either side, like the anti-succession law or a change of the constitution, the framework (the Council or equivalent) should be informed beforehand, even though the mechanism has no authority over internal affairs and will not impinge on the right of national self-determination. Lessening tensions along the strait not only encourages cross-Strait dialogue, but also creates security and ensures self-determination of the people in the islands the Republic of China now governs, which has been ignored. Keeping a status quo that subjects people to strong pressure and forces them to live in fear cannot be justified.

To extract consent to this framework plan, which might seem close to a declaratory commitment to Taiwan, the most important question is to specify what China wants from other powers, especially Taiwan, the U.S., and Japan. The most important include the clear assurance that the U.S. and Japan will stick to the "one China" policy and not support any provocative actions by Taipei; that the U.S. will eschew sales of the missile defense system to Taiwan as long as China halts its offensive missile buildup, and that the U.S.-Japan alliance will not include Taiwan as a declared security objective as long as China pursues peaceful resolution. European countries might lift their ban on weapons exports, but the cross-Strait framework should be linked to it. Efforts should not be missed to achieve transparency through an exchange of views on the U.S. global posture review and China's imports of arms and energy from Russia, Israel, and others. The most important agenda item is getting clarity on the actions of main actors and encouraging cross-Strait talks without fear of each other's intentions.

Some in Taiwan expect Japan to play more of a role, as seen in the aftermath of the February U.S.-Japan Strategic Declaration. The "marriage" of the nationalistic rightwing in Japanese politics and Lee Teng-hui's ideas has an influence. In exchange for evaluating more positively the Japanese colonial era and the so-called "spirit of Japan," some factions in Taiwan politics have tried to encourage a "post-colonial" mentality in Japan and garner more support for "Taiwan." However, sentiment toward Taiwan is still very weak, and most politicians and policy-makers are not prepared to re-evaluate Taiwan's importance vis-à-vis China. It's also unlikely that Beijing will assent to Japan taking an important role in strait

issues. After establishing the international framework, Japan could take up its role in more diplomatic spheres, through free trade agreements, regional cooperation, and access to global governance.

And in the long term…

In the far longer term, if China catches up and reaches parity with the U.S. in military and economic power, war would likely break out according to the power distribution theory. However, if the challenger is not the dissatisfied state, war can be avoided. In that sense, the concept of *dissuasion* should be applied to complement deterrence against rising Chinese power. For that purpose, "[k]ey U.S. military missions along this littoral will include missile defense plus conventional power-projection in ways that are flexible and adaptable, attuned to the goals of dissuasion and assurance, while capable of responding to a wide array of flashpoints, crises, and potential conflicts." [Kugler, 2002] As stated, the missile defense system in Taiwan could be suspended if Beijing agreed to the international framework and halted its missile buildup. Also, the "dissuasion" strategy should never mean the containment of China. One of the worst-case scenarios is the transformation of "soft balancing" by China and Russia to "hard" balancing. Thus, it is essential to keep engagement with China through socio-economic interdependence and the international framework.

We should also examine the impact of the "rise of Taiwanese identity," which directs Taiwan in the opposite course of South Korea. First, it is inevitable to see a growing sense of identity among people residing in the islands that the Republic of China now governs. Some note that these people may have started to lower their expectations for "independence." They insist that people embrace *de facto* independence, and a unilateral declaration of *de jure* independence might not happen in the present situation. This is a logical and factual interpretation. Nonetheless, to be fair, it is legitimate to point out that this is the result of the political environment and the "rise of Taiwanese identity" does not lead to a self-restrained political attitude by itself. Moreover, the feeling of anti-communism and the shared history and embrace of democracy within a polity are deeply rooted enough to let people in Taiwan keep and develop their "identity" and a sense of separation from mainland China. The failure of the Hong Kong model also strengthens that feeling. Rationally, it is unlikely that there will be a real unilateral initiative for "independence" by Taiwan, but irrational, or emotional, actions and opportunistic strategies to enlarge their international space can be expected. The change of electoral systems to single-seat constituencies might also contribute to more unstable agenda-setting in this context.

It is ironic that especially after the Tiananmen incident, peaceful democratization has highlighted Taiwan as a Westernized polity vis-à-vis mainland China, but its election campaigns now threaten regional stability and Taiwan's reputation. Gradually, these politics might lead to more international pressure on Taiwan, and as we have recently seen again, even Washington's strategy of dual deterrence will not support unilateral challenges to the status quo. It is advisable that Taiwan keep its democracy more rational, making Chinese politics suffer in comparison, and passing the onus onto Beijing.

Coping with China
America's Role in Ensuring Security for Taiwan's Democracy

By Levi Tillemann-Dick

Over the next 50 years, the rise of China, the remilitarization of Japan, and the rise of India will alter the profile of international relations in Asia. Because of the speed of its economic transition, massive population, internal volatility, forceful diplomacy, and burgeoning military capabilities, China will likely be the most potent of these actors over the next 30-60 years. Though Japan's economy is roughly twice the size of China's, China is already attempting to assert its diplomatic and economic supremacy throughout its historical spheres of influence – and even beyond to places like Africa and South America.

Many would argue that China's current military and economic assets are not commensurate with the country's influence in East Asia. Despite this, most countries in the region have facilitated Beijing's expansion of influence. While the United States must facilitate Beijing's peaceful rise in the long term, it must also keep this future titan firmly in check. This is especially true when it comes to Beijing's relationship with Taiwan. While the U.S. must actively seek to promote compromise and accord between Taipei and Beijing, the U.S. must also maintain a position of strength relative to both parties. Taiwan is a model of social, political, and economic development for the region. As such, it should never be forced to relinquish democratic rights and civil freedoms for the sake of an interim peace with the mainland.

Current Trends

Chinese leaders repeat that Beijing intends to "rise peacefully" and respect the international "status quo." Unfortunately, China's official perception of the "status quo" diverges significantly from facts on the ground. Perhaps the most striking illustration of this gap between Chinese rhetoric and reality is the case of Taiwan.

The Taiwan of 2005 is, essentially, an independent country. Communist China does not exercise, and has never exercised, political or economic control over the island of Formosa. Taiwan's society – its modern history, present-day culture, political institutions, and civil society – was formed in a very different crucible than that of the mainland. However, China's leadership, its academics, its elites, and its masses do not recognize Taiwan's individuality or right to self-determination. A majority of Taiwanese, like Tibetans and Uygurs, do not want to be a part of China and China's military threat is the decisive factor preventing the codification of Taiwanese independence. But, there are a few clear differences between Tibet and Xingjian on the one hand and Taiwan on the other. First, for the last 50 years Taiwan has been governed and defended by successive administrations with complete independence from the mainland. Second, Taiwan possesses a military capable of defending its claimed political boundaries. Third, even divorced from China, Taiwan is a functional democracy and major world economy. As Taiwan is, *de facto,* an independent state, Beijing is, *de facto,* a revisionist power.

The U.S. reaction to Chinese claims over Taiwan will be a testing ground for U.S. resolve over the next half-century. The United States cannot let nebulous (and dubious) historical Chinese rights to the island of Formosa impinge on the hard-won democratic rights of the people of Taiwan. Since 1997, China has used its influence in Hong Kong to severely curtail budding democratic freedoms in the former British colony. Indeed, it is difficult to tell whether the people of Hong Kong will have more or less political freedom 10 years from now. Beyond Asia, Chinese officials have flaunted relationships with the some of the world's most brutal and repressive governments in pursuit of narrow economic interests. Accordingly, U.S. strategists cannot simply "trust" Beijing to act responsibly vis-à-vis other actors on the world stage. If American grand strategy in the 21st century is to promote liberal democracy worldwide, the U.S. must draw a red line along the Taiwan Strait. Beyond this line, the U.S. cannot tolerate democracy rollback, repression of free speech, or political persecution. As Taiwan's democracy matures its rough edges will smooth and Taiwan will become a model for mainland Chinese of the civil liberties and economic prosperity a democratic PRC could achieve.

While minimizing cross-Strait tensions is indeed a desirable goal, U.S. diplomats should not seek imminent calm at a long-term cost to democracy in greater China.

It is far from certain whether generational change will have any moderating effects on Beijing's policy toward Taiwan. Today's Chinese students seem just as passionate about reunification, forced or voluntary, as their elders. Should Chinese opinions regarding Taiwan remain static, China's increasing economic and military might may tempt future leaders to force the issue of Taiwan's reunification. Thirty years from now, the president of the United States could face a more powerful and even less malleable counterpart in Beijing.

Washington's optimal strategy for mediating the ongoing crisis in the Taiwan Strait must take China's long-term revanchist ambitions into account. In its dealings with Beijing, Washington must pursue a policy of greater clarity and cooperation, while maintaining overwhelming military dominance. The U.S. must defend its military position through continual modernization and cooperation with dependable Asian allies – particularly Japan.

Though thwarting Taiwanese leaders in their quest for international recognition may yield diplomatic fruits in the short term, Washington must realize that such efforts cannot eliminate Taiwanese nationalism – which is the root of Taiwanese separatism. Neither Washington nor Beijing can control Taiwanese patriotism as if it flowed from some proverbial spigot. Indeed, attempts to "manage" Taiwanese public opinion have backfired in the past and may well go wrong in the future. Beijing and Taipei will *both* need to compromise to secure a peaceful-long term solution to the Taiwan problem.

In order to facilitate such compromise, the U.S. must work to systematically deconstruct certain Chinese myths. Furthermore, it must do so in a way that will not destroy China's international or domestic credibility. Surely Taiwan can avoid a military confrontation with China in the short term by speaking softly. However, unless Taiwan achieves a greater degree of acceptance in the international community, Taiwan's leadership

will always feel domestic pressure to strive for some sort of codified independence from China.

Taiwan's instability would be less troubling if China's leadership showed greater flexibility in its Taiwan policy. However, at this stage China shows no signs of retreating from certain core stances. Through years of education, propaganda, and indoctrination the Chinese government has inculcated its population with a distain for Taiwanese independence. Internal pressures inherent in Chinese public opinion would force China's leaders to meet an outright declaration of Taiwanese independence with force – even in the face of overwhelming U.S. military power – or resign. Leaders in Beijing must understand that the U.S. will not abandon Taiwan and that the violent cyclones of Chinese nationalism they have created are more likely to capsize the Chinese juggernaut than propel it forward.

Perhaps the most productive way of achieving a face-saving solution to the current dilemma is for the U.S., Japan, and Taiwan to pro-actively redefine the vernacular used to describe Taiwan's relationship with the mainland and international community from today's position of strength. Doing so could open the door to compromise, sidestep issues related to the anti-succession act, and allow Taiwan to increase its international space.

Such a policy is only realizable from a position of relative power. Unfortunately, the ongoing adventure in Iraq has drained much of the U.S.'s international credibility and brought about significant alliance fatigue. Despite this, the U.S.'s air and littoral dominance is absolute: the U.S. cannot be challenged by conventional forces. Furthermore, neither the U.S. Air Force nor the U.S. Navy is bearing the brunt of the Iraqi campaign.

Today, China is not militarily strong enough to successfully invade Taiwan. China *can* effectively terrorize the people of Taiwan, undercut the country's economic stability, and throw internal Taiwanese politics into disarray. Furthermore, in 30 years the strategic calculus of the Taiwan Strait will not be so clear. As a safeguard against Chinese miscalculation over the next 50 years, the U.S. should continue to strengthen its alliances with dependable regional allies. Japan in particular provides a formidable counterweight to China. A strong alliance with Japan will reassure Chinese military planners that the U.S. will retain its dominance in the Asia Pacific and the balance of power in a Taiwan Strait scenario.

In this partnership, the U.S., not Japan, must lead. Any proactive stance on the part of the Japanese may well provoke a nationalist backlash in China. According to National Taiwan Normal University professor Phillip Hsu, "policy initiatives that produce a very positive effect when undertaken by Washington would produce the exact opposite effect if undertaken by Tokyo."

Earlier this year at the "2 + 2" conference in Washington D.C., Secretary of State Condoleezza Rice and Secretary of Defense Donald Rumsfeld met with their Japanese counterparts, Foreign Minister Machimura Nobutaka and Japan Defense Agency head Ono Yoshinori. Together the four ministers issued a statement proclaiming Taiwan a "common security concern" of the U.S. and Japan. This is exactly the sort of cooperation that will maintain stability in East Asia over the next five decades. Prime Minister Koizumi

Junichiro's historic deployment of Japan's Self Defense Force to Iraq and landslide electoral victory this September have signaled that Japan may be ready to undertake a more active security role in the international community. The United States should welcome Japanese cooperation in Asia and abroad under the aegis of the alliance and international organizations like the UN.

Conclusions

I propose that the United States attempt to build consensus among key regional and international actors to recognize Taiwan as an international entity with legal and internationally recognized autonomy. If possible, this effort should be pursued with China's blessing. However, Chinese leaders must realize that they cannot block progress on the issue. Taiwan should be allowed observer status in relevant NGOs, like the WHO, and international bodies when possible. For 25 years the international community has pandered to communist China and effectively isolated Taiwan. However, if affirmative action is not taken soon to redefine Taiwan's international position, Beijing may be tempted to assert its control over Taiwan in a provocative, antidemocratic and, potentially, catastrophic way.

Recommendations

The United States:

- Nurture the current relationship with Beijing, upholding U.S. commitments to the Three Communiqués and the Taiwan Relations Act.

- Dissuade provocative displays on the part of Taiwan's leadership and work together toward an appropriate redefinition of Taiwan's position in the international community.

- Communicate to Chinese authorities that it is in their self-interest to seek more flexibility with respect to policy formulation on Taiwan issues.

- Enhance defense ties with Japan and encourage Taiwan to strengthen it own self defenses.

Taiwan:

- Refrain from needless provocations of the mainland.

- Explore options short of independence that will allow it to maintain its democratic freedoms without tempting China to engage Taiwan militarily.

Beijing:

- Begin a program of domestic reeducation aimed at securing more flexibility for policy formulation.

- Establish a stronger bilateral partnership with the U.S. for addressing issues of common concern – such as energy security and nuclear proliferation

- Establish a joint committee of scholars of diverse opinions regarding China's relationship with Taiwan to search for acceptable compromise regarding Taiwan's status

The Cross-Strait Conundrum: Policy Suggestions to Meet the Needs of All Parties

By Qinghong Wang

Among the many complex issues affecting Sino-U.S. relations, the Taiwan Strait is probably the most dangerous and explosive – the deepest inducement for Sino-U.S. ties. Due to the complicated history and reality of the issue, and since Beijing, Washington, and Taipei have all pledged to solve the issue over time through "all means necessary," finding the appropriate solution for cross-Strait relations could be one of the most difficult tests for decision-makers in the three governments in the near future. Despite the common history of Beijing and Taipei, i.e., the 1949 establishment of the People's Republic of China and the retreat of the KMT government to Taiwan, the cross-Strait policies of each party have evolved under separate and distinct circumstances. Current cross-Strait policies are full of ambiguity and contradictions, and understanding the existing situation requires an appreciation of the two main themes of the early 21st century – globalization and antiterrorism – as well as several other factors that influence cross-Strait relations. This conundrum cannot be unilaterally resolved. The appropriate policy suggestion must be grounded in a broad vision that is pragmatic and must stress the need for patience and trust among the three key parties (Beijing, Taipei, and Washington).

Washington's predicament is balance its "policy of ambiguity" and "policy of clarity," balance "reunification" of China and Taiwan and the "independence" of Taiwan, and balance maintaining the "status quo" and maintaining the "peace" across the Strait. Beijing's predicament is keeping cross-Strait relations an internal affair when international involvement is inevitable. Lastly, Taipei's predicament is how to maintain Taiwan's political autonomy during the process of overwhelming economic and cultural integration with mainland China.

Crucial factors in cross-Strait relations

To eliminate these predicaments and meet their objectives, all three parties should try to make each crucial factor in cross-Strait relations favorable to its own goals. Nine issues determine the nature of cross-Strait relations: (1) the international environment, (2) economics, (3) the military, (4) geography, (5) politics, (6) law, (7) culture, (8) ideology, and (9) history.

In this three-party poker game, Beijing has the upper hand in the first four "hard power" factors. Since the start of the new millennium, especially after Sept. 11, the main themes of the international environment have been globalization and antiterrorism. As the two major global powers, Beijing and Washington desperately need each other's support for global peace and development. In the next 20 years, neither party desires, nor can afford, a direct confrontation with the other over cross-Strait issues. Therefore, any radical move toward independence by Taipei will be considered to be trouble-making by both Beijing and Washington. The phenomenal growth of China's economy and its integration with the world

has dramatically increased interdependence among the three parties. Therefore, Taipei's current "go slow, be patient" policy toward integration with the mainland is obviously outdated. Backed by tremendous economic growth, Beijing has more capacity to prevail over Taipei's relatively advanced conventional military technologies. In fact, the overall military power of Beijing and Taipei are not at the same level. Washington's efforts to sell more and higher technology military equipment to Taiwan will not change the fundamental imbalance of military power across the strait, but will only catalyze Beijing's increasing military development. Finally, since Taiwan is only 100 miles from mainland China, but thousands of miles from the U.S. mainland, and because it is surrounded by sea, Beijing can project influence and power over Taipei much easier and faster than can Washington.

In terms of the remaining five "soft power" factors, Taipei has more cards to play, yet Beijing still holds the upper hand. For the political factor, Taipei stresses its democracy; Beijing, however, stresses the unity and efficiency of its own political system and looks at the 2004 election in Taiwan as a poor example of democracy. To counteract Taiwanese President Chen Shui-bian's promotion of "Constitution Revision" by 2008, which might lead indirectly to the legal independence of Taiwan, Beijing recently published the anti-secession law. But as Beijing is recognized by more than 90 percent of nations as the legal representative of China, a Taiwanese declaration of independence would be largely ignored. Similarly, although some factions in Taiwan push de-sinification and Taiwan-identity movements, they cannot change the fact that the vast majority of Taiwan's citizenry still believe in Chinese culture, use the Chinese language, recognize their own Chinese identity, and are genetically identical to mainlanders. Furthermore, since the end of the Cold War, the rise of nationalism in mainland China has, in the eyes of those of the mainland, provided a strong ideological foundation for the reunification of Taiwan and mainland China. Taiwan society is, in contrast, highly divided and there is no majority support for independence. Finally, Beijing stresses that Taiwan has been politically unified with mainland China since the Yuan Dynasty (14th century), while Taipei always focuses on the period of separation of Taiwan from mainland China (the 1624-1662 Colony Period, the 1662-1683 Zheng Period, the 1895-1945 Japanese Occupation Period, and the 1949-2000 KMT Period) and the suffering of the Taiwanese people at the hands of the KMT mainlanders, such as during the "2.28" incident. Yet, Beijing argues China's sovereignty over Taiwan was recognized by the international community as one of the legacies of World War II, and that the separation between mainland China and Taiwan over the past 56 years, which is the result of the unfinished civil war, cannot be used to legitimize the independence of Taiwan.

Policy Suggestions

Beijing:

- should have more confidence in its ability to solve the Taiwan issue and design a long-term plan to achieve reunification;

- should establish formal dialogue channels with both opposition and ruling parties in Taiwan as soon as possible;

- should design a new model of reunification other than the Hong Kong model of "One China, Two Systems."

Taipei:

- should sign a peace treaty with Beijing;

- should establish the three links of communication as soon as possible;

- should establish a joint commission with Beijing to design appropriate cross-Strait relations and development and reform on both sides.

Washington:

- should more actively work to persuade Beijing and Taipei to sign the peace treaty;

- should play a more active role to promote economic integration and political communication across the Taiwan Strait;

- should cooperate with Beijing to establish a security dialogue for peace in the Taiwan Strait.

About the Authors

Ms. Peng Claire BAI joined the Pacific Forum in June 2005 as the 2005-2006 Vasey Fellow, named in honor of the Forum's founder. She also serves as a research assistant to Mr. Scott Snyder working on a book project. Claire is from Beijing, China, and received her dual B.A. degrees in International Relations and Economics from Peking University in 2004. She worked as a George Fellow at the Carter Center on various projects pertaining to conflict resolution, public health, and democratic governance from fall 2004 to summer 2005. Her research interests include China's peaceful transition, U.S.-East Asia relations, nonproliferation, and Northeast Asian security. Ms. Bai brings experience from the China Institute of International Studies, Hill & Knowlton, the Jane Goodall Institute, and the *Beijing Youth Daily*.

Mr. R. Ashle BAXTER is a Research Associate in Asia and Economic Studies at the Council on Foreign Relations, where he focuses on Japanese and global economic issues. He received an M.A. in international affairs with a focus on economic policy from American University. He is fluent in Japanese and as a Monbukagakusho Scholar he also earned an M.A. in international relations from Ritsumeikan University in Kyoto, Japan. His research there focused on non-performing loans in the Japanese banking system. He holds a B.A. in international relations from Middle Tennessee State University.

Mr. Leif-Eric EASLEY is a Ph.D. candidate in East Asian International Relations at the Harvard University's Department of Government. He is currently doing field work in Seoul, South Korea. His dissertation explores theoretical ties between national identity and security policy with empirical focus on Japan, Korea, and China. Leif completed his B.A. in Political Science with a minor in mathematics at UCLA. He is a long-time affiliate of the Harvard Project for Asian and International Relations (HPAIR) and was Japan area editor for the *Harvard Asia Quarterly*. He has served as a teaching fellow at Harvard in Asian International Relations and American Foreign Policy. Leif also worked with security specialists at policy research centers in Los Angeles (RAND) and Washington, D.C. (Henry L. Stimson Center).

Mr. Larry FERGUSON is an analyst with The CNA Corporation. He graduated Magna Cum Laude from Boston University, with dual degrees in Chinese Studies and Ancient Latin & Greek. He has studied Mandarin in Beijing, at Capital Normal University, as well as at Boston University. Prior to joining CNA, he spent significant time in China as a student, teacher, intern, and both public and private sector professional. He has worked at the American Embassy in Beijing, for a U.S. online marketing firm in Beijing, and has interned at Microsoft's Beijing research laboratory.

Mr. Justin HASTINGS is a Ph.D. candidate in Political Science at University of California, Berkeley with a focus on international relations, East Asia, and comparative politics (expected May 2008). He is currently a visiting research associate at the Institute of Defense and Strategic Studies at Nanyang Technological University in Singapore where is conducting research in Chinese, Indonesian, and English on the geographical and ideational factors that shape the transnational movements of clandestine networks in China and Southeast Asia. Justin served as a Princeton-in-Asia Fellow in Tokyo, Japan in 2001-2002 where he worked

as a technical writer/English teacher for Wyeth Japan. He has also worked as an intern for the U.S. government on East Asian security issues. He received his A.B. in Public and International Affairs from Princeton University and his M.A. in Political Science from University of California at Berkeley.

Dr. Anne Hsiu-An HSIAO is Assistant Research Fellow at the Institute for International Relations at National Chengchi University and is also a consultant for the Taiwan Foundation for Democracy. She obtained a PhD from the London School of Economics and Political Science, Law Department and a LL.M. (merit) from the University of Nottingham, Law Department. Anne has also worked as a Research Fellow and International Program Officer at the Taiwan Foundation for Democracy, as a Associate Research Fellow at the National Security Council in Taiwan, as a Specialist at the Economic Division, Taipei Representative Office in the United Kingdom, and as a legal consultant for the Procurement Bureau, Ministry of Defence.

Ms. KATO Kazuyo is a research associate in the International Security Program at CSIS in Washington, DC, where she has worked on projects focusing on the U.S.-Japan alliance, the U.S.-ROK alliance, U.S.-India relations, and contemporary East Asian security issues. She previously was an analyst with the advisory group Global Transactions at KPMG in Tokyo, was an administrative assistant for Okamoto Associates, Inc., and was a translation/research intern at AIG Investment Management, Inc. Her articles have appeared in *Sekai Shuuho (World Weekly Affairs*), among other publications. She received a BA and MA in international policy studies from Stanford University.

Mr. Tinh Dinh LE is deputy director of the Department of International Cooperation and Administration at the Institute for International Relations in Hanoi. Formerly an East West Center degree fellow, he received his MA from the School of Public Administration at the University of Hawaii-Manoa and BA in international politics from the Hanoi Institute for International Relations. Prior to his current job at IIR, he was a research fellow at the IIR. His most recent publications include, "US-Southeast Asia Security Relationship Revisited," *International Studies*, Summer 2005, IIR and "Asymmetrical Security Challenges to the US: Perceptions and Reponses," *Americas Today*, Summer 2005, Institute of Americas Studies.

Ms. Fan LI is executive director at Global Links Initiative. Fan holds an M.A. in International Relations from Waseda University (Japan). She studied Public Administration in Leiden University (the Netherlands) and gained her B.A. from Suzhou University (P.R.China) with a major in Japanese Literature.

Mr. Dewardric McNEAL is the Assistant Director of the China Initiative at the Brookings Institution. Previously he was Vice President for Policy and Planning with the Peace and Conflict Resolution Workgroup in San Francisco, which conducts community-based dialogues on conflict resolution. He is a graduate of East-West Center's Asia Pacific Leadership Program ('02), and served as a foreign affairs analyst with the Foreign Affairs, Defense and Trade Division at the Congressional Research Service where he co-authored, with Kerry Dumbaugh, "China's Relations with Central Asian States and Problems with Terrorism" (CRS Report to Congress, 2001).

Mr. Raymund Jose QUILOP is Assistant Professor of Political Science at the University of the Philippines in Diliman, Quezon City. He is also a Senior Researcher/Analyst of the Office of Strategic and Special Studies (OSS), Armed Forces of the Philippines and a fellow of the Institute for Strategic and Development Studies. He serves as the editorial associate of the *Philippine Political Science Journal*, a refereed journal published by the Philippine Political Science Association, and as the editor-in-chief of the OSS official publication, *The Digest*. Mr. Quilop holds a MA degree in Political Science from the University of the Philippines where he also obtained the BA degree in Political Science (Summa Cum Laude and Class Valedictorian) in 1995.

Mr. SAHASHI Ryo is a PhD candidate at the Graduate school of Law and Politics at the University of Tokyo. He has worked as a Research Fellow of the Japanese Society for the Promotion of Science, as a Research Assistant for the Ministry of Economy, Trade and Industry, and as a Research Assistant for the Social Science Institute at the International Christian University. Ryo received his Masters of Law and Political Science from the Graduate School of Law and Politics at the University of Tokyo and his B.A. in International Relations from the College of Liberal Arts at the International Christian University in Japan. His research experience includes research contributions to the Ministry of Economy, Trade and Industry on East Asian integration.

Ms. Jane SKANDERUP Director for Programs at Pacific Forum CSIS where she oversees a range of research projects on U.S.-Asian relations, with a focus on economic and political relations in the Asia-Pacific region. Current and recent projects include comparative economic strategies in Asia in response to globalization and the emergence of China; China-Taiwan economic relations and impact on political and security tensions; the political economy of restructuring in South Korea; and a new project on the intersection of U.S., Asian, and Latin American political and economic interests. She also covers trade and investment issues in Northeast and Southeast Asia, as well as regional economic cooperation, APEC, the WTO, and U.S. foreign economic policies.

Mr. Levi TILLEMAN-DICK received the MA degree from The Johns Hopkins School of Advanced International Studies in 2004, where he focused on Japan studies. While at SAIS, he also edited the *SAIS Observer* and volunteered in D.C. public schools. Levi attended Regis College from 1997 to 1999 before transferring to Yale University, where he received the BA degree with honors. He has worked as a journalist in Japan, as a teacher and aid worker in Honduras, as an intern in the Clinton White House Legislative Affairs Department, and has taught for inner-city charter-schools in New Haven, Denver, and Washington D.C. Levi is currently a Fulbright scholar in Taiwan improving his Chinese and researching media coverage of the 2004 shooting of Taiwanese President Chen Shui-bian and Vice-President Annette Lu.

Mr. WANG Qinghong is a doctoral candidate in Political Science at the University of Hawaii-Manoa. He received his BA in Chinese Language and Literature from Beijing University in 1999, and an M.A. in Chinese Studies and an M.A. in Political Science both from the University of Hawaii in 2003. Mr. Wang went on to work as a research assistant at the Center for Chinese Studies of the University of Hawaii-Manoa. He previously worked as

a language instructor at both UH and at the United States Air Force Academy's Chinese Language Immersion Program at the Japan-American Institute of Management Science.