
# Finding a Place for Taiwan

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**YOUNG LEADERS**

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## Pacific Forum CSIS

Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) 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 arenas. 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.

## The Young Leaders Program

The Young Leaders Program invites young professionals and graduate students to join Pacific Forum policy dialogues and conferences. The program fosters education in the practical aspects of policy-making, generates an exchange of views between young and seasoned professionals, promotes interaction among younger professionals, and enriches dialogues with generational perspectives for all attendees. Fellows must have a strong background in the area covered by the conference they are attending and an endorsement from respected experts in their field. Supplemental programs in conference host cities and mentoring sessions with senior officials and specialists add to the Young Leader experience. The Young Leaders Program is currently supported by Chevron, the Henry Luce Foundation, and the Yuchengco Group, with a growing number of universities, institutes, and organizations also helping to sponsor individual participants. For more details, see the Pacific Forum CSIS website, www.pacforum.org, or contact Brad Glosserman, director of the Young Leaders Program, at brad@pacforum.org.

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# Acknowledgements

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# Project Report

By Isaac Kardon

A group of 12 Pacific Forum CSIS Young Leaders from Taiwan, China, Japan, the Philippines, South Korea, and the United States convened in Taipei Aug. 24-25, 2009 for the Asia-Pacific Security Forum (APSF). With professional and educational experience as diverse as those geographic backgrounds, the participants took full advantage of the opportunity to exchange views and collaborate on new ideas about regional security – with particular focus on Taiwan's present status and future ambitions.

The Young Leaders enjoyed an opportunity to participate fully in conference presentations and panel discussions led by academic and policy experts. They then spent a full day in meetings with Taiwanese government officials and political party representatives, culminating in a round-table discussion under the auspices of the host organization, the Taiwan Foundation for Democracy. These interactions produced spirited discussions revolving around the impact of the global economic crisis on regional security, with special attention devoted to the implications for Taiwan in a period of warming cross-Strait relations, internal political tumult, and nontraditional challenges to national security.

Several themes emerged from these discussions: 1) the profound significance of generational change; 2) the political complexities and historical dramas of Taiwanese politics; and 3) the prominent role of third parties in mediating, perpetuating, or otherwise affecting cross-Strait relations. The results of those discussions are evidenced in two reports that grapple with the core questions of the program: what does Taiwan want? In light of present realities, what strategies or concrete policies can be employed to realize those ends?

The APSF was followed by a US-China-Japan trilateral security dialogue held in Beijing. A number of Chinese and Taiwanese Young Leaders, in addition to a Japanese and South Korean Young Leader, went from Taipei to attend this meeting in Beijing. Those who attended both the Asia Pacific Security Forum in Taipei and the Trilateral Dialogue in Beijing wrote a memo on cross-Strait relations that will be published separately; those who attended just the APSF prepared a memo to the president of Taiwan outlining how the Philippines and the US can help Taiwan achieve its goals.

**Preparation:**

Each Young Leader attending the program first read an assigned group of essays on cross-Strait relations, regional political dynamics, and a Vasey Fellow paper on Taiwanese identity politics and generational change. For some, these readings constituted the first substantial exposure to cross-Strait politics; for others, they reinforced prior understandings and provided a basis for productive group conversations.

Prior to meeting in Taipei, all participants wrote short essays identifying Taiwan's "most important partner." The reasoning and conclusions that this assignment produced helped generate later discussions, which revisited the question not only through the conventional lens of a triangular China-US-Taiwan relationship, but also with a more current perspective accounting for the role of regional actors like Japan, South Korea, and the Philippines. These initial comments also anticipated much of the economically oriented content of the conference. Economic issues ranging from warming cross-Strait ties to free trade agreement competition to the social costs of the economic downturn came to the fore as drivers of security calculations for all actors in the region.

**Conference:**

Beyond the usual concern about ways to de-escalate tensions on the Korean Peninsula, limit arms buildups, counter terrorism, and deal with the rise of China, a slew of nontraditional and human security threats figured prominently in the talks. Special attention was paid to unemployment, and its attendant security risks: geographic dislocation, poverty, and often violent radicalism. These pathologies were seen to contribute to internal instability that may spill over into surrounding states, thus becoming a regional security problem. Export-oriented Asian economies have felt this economic pain particularly acutely, and tend to face pernicious second-order effects.

Others described a negative feedback between declining global trade and rising protectionism (of both "murky" and overt varieties), and went on to examine the prospects for greater regional institutionalization during a profoundly unsettled moment. Panelists recognized that the once-touted "decoupling" following the Asian Financial Crisis had not insulated the region from interdependence. The recent tragedy of Typhoon Morakot loomed over the conference, lending a tangible sense of urgency to the discussion of how best to coordinate disaster relief efforts. The connection of such disasters with climate change was also made, generating some consensus on the importance of managing and mitigating an array of environmental challenges. Public health also emerged as a distressing security problem, made more poignant by an H1N1 scare that has introduced new tensions into regional relations.

Taiwan was a central subject of the meeting. Amid discussions of regionalization, human security and China-US rivalry, Taiwan's uncertain role in the region fueled contention. No easy answers were found for how to account for the significant interests of Taiwan in the face of Chinese opposition. The Young Leaders were eager to weigh in on these questions, and found ample opportunity to do so during the meetings that followed the conference.

**Young Leader Program meetings:**

The final day of meetings afforded the Young Leaders a chance to interact directly with a wide cross-section of the Taiwanese political universe. Officials from the Ministry of Foreign Affairs, and the Mainland Affairs Council spoke candidly about Taiwanese international relations, dwelling on the unique dynamics between the United

States, China, and Taiwan. Leading figures in the Ma government painted a forward-looking picture of the prospects for a peaceful and stable cross-Strait environment, envisioning a positive-sum interaction among those three parties. Taiwan, they maintained, could escape its reputation as a "troublemaker" by demonstrating flexibility, and in so doing, carve out a "normal" international space without offending Chinese sensibilities. Part of this optimism derived from confidence in Taiwan's increasingly robust democratic system, which is reckoned a powerful and versatile way to maintain a positive and credible international status. Young Leaders were keen to draw out official explanations of what Taiwan considers "favorable political developments" on the mainland, and how burgeoning cross-Strait ties influence each side's political options.

As the Young Leaders honed in on the long-term viability of this balancing act, the officials emphasized the centrality of economics to the cross-Strait relationship. The mutual benefits derived from continuing trade and investment – strengthened, they hoped, by the expected implementation of an Economic and Commercial Framework Agreement (ECFA) – could prefigure a political settlement without leaving either party feeling as though the status quo had been changed to its detriment. Serious misgivings about arms sales and missile buildup notwithstanding, officials evinced guarded optimism that recent successes would foster positive developments in Taiwan's international relations.

Representatives from the two main political parties (Kuomintang and Democratic Progressive Party) offered comments on the bitterly divisive Taiwanese domestic political scene and the historical processes that produced it. Young Leaders welcomed hearing contrary viewpoints on relations with the mainland, revolving around varying levels of tolerance for "dependence" on China's economy and diplomatic forebearance. Beyond these policy preferences, Young Leaders heard the discrepancies between the historical narratives offered by different political actors in Taiwan. Those contrasts grew even starker as the mainland narrative was introduced, and woven together with the US Cold War perspective.

Not surprisingly, Young Leaders began to formulate new opinions about how to conceptualize Taiwan's ambitions and behavior. The meetings provoked stimulating discussion, enriched significantly by the group's diversity of geographic and political perspectives. The transition to intra-group exchange allowed for a fuller unpacking of those perspectives, while providing a valuable chance to digest the wealth of information and analysis gleaned during the conference and Young Leader program.

**Young Leader discourse:**

Throughout the three days, the Young Leaders were impressed by three persistent themes: 1) the effects of generational change, 2) the dynamism of Taiwanese politics, and 3) the influence of third parties on cross-Strait relations – whether China, the United States, or other regional actors. As we assessed "what Taiwan wants" in the final round-table discussion, these themes animated a lively discourse and led to an ambitious undertaking to find fresh perspective on a sometimes intractable debate.

Young Leaders focused on the pronounced changes in outlook that have accompanied generational change throughout the region. Questions were often raised about how Cold War strategic thinking has colored the present outlook. The persistent hand-wringing about China-US or China-Japan security dilemmas, containment, and nuclear strategic superiority were subjects of skepticism among Young Leaders, who raised doubts about the wisdom of employing such a framework. Even if the conflicts on the Korean Peninsula and across the Taiwan Strait are inexplicable outside of that historical context, the next generation of national security leaders, according to the group, would be eager to disentangle the mythology of global, zero-sum conflict from the reality of global interdependence.

In this same vein, questions about the desirability of the United States playing a balancer in the region were raised repeatedly, prompting careful deliberation over what, exactly, US security interests in the region are? A desire for peace and stability emerged as the lowest common denominator, but long-term visions about how to achieve that objective varied along a continuum ranging from a China-centric order to a strengthened, and updated US-led hub-and-spokes model.

The salience of transnational security threats – of which the present economic downturn was judged a poignant example – was not treated as a novel concept for the Young Leaders; whereas the older generation treats such nontraditional security issues as exotic and finds them difficult to reconcile with conceptions of how international affairs should work, younger analysts instinctively recognize the importance of integrating these threats into a more unified understanding of security that is not limited by statist biases.

Such generational changes seemed especially pronounced in Taiwan, so accounting for these shifts in identity and political preference occupied a great deal of the discussion time. Much was made of data that suggested that the present generation of students and young people does not view “Taiwanese” and “Chinese” as like quantities – and thus may simultaneously embrace both, even as they identify ever more strongly with a Taiwanese identity. The younger generation, it seems, do not share the emotional experiences of civil war, martial law, democratization, or Cold War strife that was significant in shaping the world-views of their parents’ and grandparent’s. Rather, Young Leaders concluded that the realities of economic survival in a competitive region inform their political preferences far more than any historically rooted cross-Strait antagonism.

Confronted by the extremes of the Taiwanese political debate, Young Leaders ventured into sensitive territory. Mainland participants were particularly excited to engage in this discussion, and lent valuable insight into how China’s next generation might approach the dilemma posed by a “one China principle.” The discussion did not end with the determination that marginal improvements to economic ties was a panacea, but there was some consensus in the view that a peaceful, stable Taiwan Strait would include a more definite and durable economic bond. The conversations between all parties were a hopeful indicator that a future resolution on Taiwan need not be politically destabilizing.

US and Japanese roles in Taiwan's present circumstances did not escape the Young Leaders attention. The legacy of Japanese colonization and wartime aggression as well as the influence of US policy on Taiwan's political status were scrutinized, with special attention paid to U.S. arms sales and the alarming potential for a regional arms race. At a moment of low ebb for the "Washington Consensus," the Young Leaders were eager to predict how America's preponderant military and economic heft would be employed in the future. Young Leaders were enthusiastic about being offered a chance to examine the spectrum of bilateral and multilateral relationships that might be affected by a change among any of the key parties to the cross-Strait dispute.

# A Memo to the President of Taiwan: How the Philippines and the U.S. Can Help Taiwan Achieve its Goals

By Maria Kristela Sylvia Castronuevo, Isaac Kardon, Jonizel Lagunzad, Charmaine Misalucha, Stephanie Chen-yu Wang, and Emily Warren

This memo outlines strategies that the Philippine and U.S. governments can adopt to help the government of Taiwan achieve its foreign and security policy objectives. Among the many different and often competing Taiwanese goals, we selected maintenance of the status quo as our focus, a malleable idea that has manifested itself as the common denominator on both ends of the political spectrum. Although the memo refers to the Philippine and U.S. governments as main actors, the strategies presented are not limited to actions undertaken by government officers or through formal mechanisms – they also provide space for multi-track processes (such as Track-Two diplomacy) and other activities initiated by private actors, such as local Chambers of Commerce, and non-government organizations.

The memo is divided into four sections; the first is an examination of what Taiwan wants. We argue that Taiwan's pursuit of the status quo is dynamic; hence, there are at least three facets to the status quo, all of which will take hard work by Taiwan and others to maintain. The next two sections present strategies composed of a combination of unilateral initiatives, mediation, and multi-track activities that could be employed by the Philippine and U.S. governments, respectively, to help Taiwan achieve its goals. Guided by the "status quo" framework, the strategies aim to (1) ensure that Taiwan continues to be able to expand its role in the international community, (2) help Taiwan maintain economic growth, (3) help Taiwan maintain and receive recognition for its democratic institutions, and lastly, (4) help Taiwan maintain stability in relations with mainland China.

We conclude that though there are many things the Philippines and the United States could do to help Taiwan achieve its goals, some of these things may not be in the strategic interests of these countries, or may simply not be high priorities. Taiwan needs to think more carefully about its own priorities, where it needs the most help, and what sacrifices it is willing to make in exchange for wins on other fronts. Then, it needs to get policymakers in both parties articulating those priorities in a way that helps decision-makers in the Philippines, and the U.S. understand what Taiwan wants.

## I. What does Taiwan want?

According to the latest poll (April 2009) by the Mainland Affairs Council of Taiwan, Republic of China, which surveyed how the people of Taiwan view cross-Strait relations, over 84.6 percent of people want to keep the "status quo"; 1.2 percent of people want immediate unification, and 6.7 percent want immediate independence. With less

than 10 percent of Taiwanese eager to overhaul the cross-Strait relationship, there appears to be an overwhelming preference for maintaining the status quo. This informs our judgment that the Philippines and the U.S. can best help Taiwan achieve what it wants by devoting energy to sustaining a "status quo" defined in three dimensions: maintaining dignity and fair participation in the international community, ensuring economic growth and stability, and preserving democracy, human rights, and liberty.

Before elaborating further on the content of that status quo, we want to point out that peace and security on the Taiwan Strait are fundamental pillars for all concerned parties. To maintain this peaceful relationship in the long term, a viable Peace Accord will need to be signed by both parties; in the absence of a formal statement, both parties will at least have to construct a mechanism on Cross-Strait Military Mutual Confidence.

*1. Dignity and fair participation in the international community*

Since the People's Republic of China (PRC or mainland China) took over the "China" seat in the UN in 1971, the continued existence of the Republic of China (ROC or Taiwan) as an autonomous actor in international society has been in jeopardy. Many of Taiwan's former partners ended formal ties to establish diplomatic relations with mainland China. Beyond the persistent security threat posed by revanchist PRC leaders, intense diplomatic competition – especially in the form of "money diplomacy" – has further threatened the viability of the status quo. Not until the election of the Kuomintang (KMT) Ma Ying-jeou administration in 2008 did both sides agree to observe a "diplomatic truce," at least temporarily halting the outlays of aid, infrastructure investment, and loans that had been deployed for the express purpose of incentivizing relations with opportunistic foreign governments. The impact of this agreement – and arguably the biggest diplomatic challenge Taiwan faces – is the marginalization and insecurity caused by progressively limited international space.

Mainland China's insistence on its "One China Principle" has been the primary diplomatic instrument for limiting Taiwan's international space. It remains impossible for Taiwan to obtain membership from any international organization with the requirement of being a sovereign state – such as the World Bank, the UN, and its affiliated organizations. For economically oriented international organizations, such as the Asian Development Bank (ADB), Asia Pacific Economic Cooperation (APEC) forum, and World Trade Organization (WTO), Taiwan has been able to accede only under the titles of "Taipei, China," "Chinese Taipei", and "Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu," respectively. At present, there are only 23 countries in the world that maintain diplomatic ties with Taiwan, despite Taiwan's presence among the top 20 biggest exporters in world trade and as a leader in the high-tech and IT industries. In light of this unique, ad hoc arrangement – where a formidable economic and political actor is unable to represent its interests in many important venues – Taiwan evinces a strong desire to maintain its dignity and hopes to command respect and a less tenuous form of recognition from international society.

Taiwan citizens are deeply integrated with the world around them, and wants more meaningful participation in international organizations and activities. After tireless lobbying efforts, Taiwan was finally granted observer status in the World Health Assembly this year. Taiwan's ability to mobilize support to extract that concession from the PRC is a promising sign, but the "status quo" will be undermined if Taiwan is left out of regional formations and institutions. A one-off goodwill gesture has symbolic value, but is no substitute for a sustainable place in the rapidly evolving global system. Absent a major political shift on the mainland, it is extremely unlikely that Taiwan will garner diplomatic recognition from more countries. Nonetheless, Taiwan intends to artfully forge a *sui generis* international status for itself that accomplishes Taiwan's goals without antagonizing mainland China or precipitating armed conflict.

*2. Economic growth and stability*

The status quo also includes economic growth and stability. Taiwan has maintained 8 percent average GDP growth for the past three decades, but tumbled into contraction in 2009 following the global economic crisis. Looking ahead, the only reasonable way for Taiwan to return to anything close to 8 percent economic growth will be to avoid "falling off the bicycle" of regionalization and ensure its role in surging trade in Asia. Taiwan is eager to ink Free Trade Agreements or Regional Trade Agreements with its neighbors; a high priority is joining the rapidly liberalizing trade regime among ASEAN nations. Taiwan is deeply concerned that it will be marginalized and will suffer dire economic consequences as China, Japan, and Korea integrate further into the ASEAN+3 framework. One leading indicator of this trend is the ASEAN-wide FTA with China that is due for implementation in 2010.

In an effort to create the political conditions necessary for Taiwan's vision of an ASEAN+3+1 to become a reality, the current Taiwanese administration has energetically pursued an Economic Cooperation Framework Agreement (ECFA) with China. Supporters anticipate that such an agreement will be hugely beneficial for Taiwan; indeed, some sources estimate it will increase Taiwanese GDP growth by almost 2 percent a year.[1] Nevertheless, though there is consensus within Taiwan on the critical importance of economic growth, there remains disagreement about the need for signing an ECFA with China. The question for Taiwanese is whether the ECFA will so significantly undermine their goal to retain international respect and move toward a *sui generis* international status that its economic benefits will be negated. Sensing a surrender of critical Taiwanese economic and political interests to the of mainland Chinese leaders, Taiwanese citizens are wary of moving too fast or too far in this process. There seems to be a majority opinion in Taiwan in favor of the ECFA, but the opposition party, the Democratic Progressive Party (DPP), and pro-independence supporters oppose it strongly.

*3. Democracy, human rights, and liberty*

[1] http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2009/07/30/218334/ECFA-with.htm

Taiwanese democracy has a bitter history, and as a result, the people of Taiwan deeply appreciate the value of democracy, human rights, and liberty. In the 1950s, a series of crises (in 1952 and 1958) pitted mainland and KMT forces against each other in direct military confrontation. As a result, Chiang Kai-shek froze the Constitution and announced the implementation of martial law, responding both to the strains of an ongoing civil war with the mainland as well as the external geopolitical pressures of the Cold War. In doing so, the government restrained the Taiwanese people's freedom of speech: any anti-governmental, pro-communist or liberal expression was highly restricted – neither forging a democratic political system nor upholding human rights were top priorities. Not until the late '70s and '80s, when Chiang Ching-kuo lifted martial law and allowed new political parties and private-owned newspapers to be formed, did Taiwan take permanent steps toward the development of democracy. Through the efforts from both civilians and political leaders, the people of Taiwan can now elect their president, enjoy human rights, and practice freedom of speech. These are not liberties enjoyed on the mainland, and Taiwanese citizens are deeply committed to preserving these hard-won accomplishments

Preserving the status quo, though a mild turn of phrase, is quite an ambitious undertaking. To make matters even more difficult, the two political parties largely agree on the above three priorities, but they have widely divergent views on the strategy to achieve these goals. The biggest issues Taiwan faces internally are identity politics and arguments about Taiwan's future independence, or unification with mainland China. The divergent agendas promoted by the KMT and DPP for Taiwan's future[2] and policies[3] toward mainland China are increasingly problematic.

Therefore, the dilemma for all Taiwanese is that if the DPP's agenda of independence gains support and is adopted (together with a new name for Taiwan), mainland China may move to stop Taiwan's separation from the mainland at any cost, even at the risk of starting a war. In the event of a cross-Strait war, Taiwan would need military support and help from the U.S. and others, but there is a great deal of ambiguity surrounding foreign commitments to Taiwan's security if it were to declare independence.

Yet, if the Taiwanese people subscribe to the KMT's approach of associating with mainland China, signing an ECFA with mainland China, etc., there are concerns that Taiwan will be amalgamated into the Greater China Economy Circle (大中華經濟圈).

[2] The DPP asserts that Taiwan's future can only be decided by Taiwan people themselves, not by a KMT-CCP (Chinese Communist Party) platform; as a result, its agenda for Taiwan's future is independence. The KMT asserts that Taiwan is already a country with the name of ROC; it is not necessary to go beyond that and create a new country.

[3] While the DPP under the Chen Shui-bian administration adopted a more conservative approach to keep distance from mainland China, asserting Taiwan's subjectivity aggressively, the KMT is seeking a soft landing on the "One China Principle," creating a friendly environment to manage cross-Strait affairs closely with mainland China.

This possibility raises the existential question of whether Taiwan could avoid being swallowed by the economic and political juggernaut of mainland China?

Given the polarizing nature of the debate in Taiwan, defining what its people actually "want" is a delicate exercise. "Status quo" is the only unobjectionable formulation for the majority of Taiwanese, and though it presents its own semantic and practical difficulties, it provides a centerpiece for efforts undertaken on Taiwan's behalf by the Philippines and the U.S.

## II. Strategies for the Philippine government to help Taiwan achieve its goals

Given the complex nature of cross-Strait relations, the Philippines can most directly help Taiwan achieve its goals by helping create circumstances in various sectors that allow China and Taiwan to transform their relations into some form of "normalized engagement." In this way the involvement of the Philippines is minimized and the determination of how the two want to "normalize" their relations is left entirely to them. This stance also projects the idea that external actors are not taking sides: this is in line with ASEAN's principle of non-interference, as well as the U.S. desire to remain neutral as much as possible. In this regard, the recommendations of the Philippines may be plotted on two axes: humanitarian involvement on one hand and trade matters on the other.

### *1. Ensuring Taiwan can expand its international role*

As Taiwan wants to be involved in international humanitarian response, the Philippines can draft a proposal to build a Regional Disaster Risk Reduction, Response and Rehabilitation Center (RD4R) based in Taiwan. The RD4R will serve as a training center for local field disaster response teams in Southeast Asia, and can be used to pre-position emergency equipment for quick delivery and use by international response teams during disasters. The Center will also facilitate the sharing of expertise, technology, and other information relating to disaster management among Southeast Asian countries.

This is of interest given that Taiwan recently experienced the devastation of Typhoon Morakot, and that the Philippines is still struggling to provide relief and rehabilitation to millions of Filipinos affected by the super typhoons that ravaged the northern part of the Philippines. Both instances show the necessity of a regional body that can coordinate and provide immediate relief and long-term rehabilitation to victims of natural disasters.

Climate change is not only triggering natural calamities, but also the return of deadly diseases and the formation of new ones, which could pose a threat to global health and security. Recently, the world confronted the outbreak of swine flu. In this regard, the Philippines can propose a Regional Research Center for Infectious Disease Prevention, Management and Control, which can also be based in Taiwan. Similar to RD4R, the objective of this initiative is to enhance regional cooperation on pertinent issues, with the goal to extend confidence-building measures beyond military concerns.

*2. Helping Taiwan maintain economic growth*

Contingent on a signed ECFA between mainland China and Taiwan, the Philippines could prepare to be the first country to begin to work with Taiwan on a Free Trade Agreement. This requires "delicate balancing," however, such as emphasizing that such FTA is an economy-to-economy agreement –Taiwan and the Philippines being economic entities (similar to the principle of APEC membership).

*3. Helping Taiwan maintain and receive recognition for its democratic institutions*

As a young democracy like Taiwan, the Philippines, in partnership with Taiwanese and U.S. institutions, could establish Young Democracies of Asia Fund, a private institution, that offers opportunities for exchange of democracy-related NGO workers and activists, and scholars from the Philippines and Taiwan, combining the field experience of NGO workers and activists with the theoretical expertise of democracy scholars, to explore and share best practices in democracy education and preservation in the two countries. This initiative highlights an important point: Taiwan's assistance as a democratic society has become an integral part of Taiwanese identity and that Taiwan seeks to nourish this defining element.

*4. Helping Taiwan maintain stability with mainland China*

The strategies presented in this sub-section are designed not to interfere with "official" activities between mainland China and Taiwan but to seek new lines of communication. They are mostly exploratory and process-oriented rather than attempts to influence results.

First, we recommend the creation of domestic coalitions for peace in mainland China and Taiwan. This can be initiated by the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. (FFCCCII), a private Filipino-Chinese organization that commands great political and economic influence in Philippine society, and whose members have business interests in both Taiwan and mainland China. The FFCCCII is the most appropriate organization (in the Philippines) to take part in this initiative, which main message is "Peace is an Investment in the Future". The FFCCCII can host NGOs, students, businessmen, and political leaders from Taiwan and the mainland, invited in their private capacity, for joint interactive problem-solving workshops. Scholars and experts on peace and conflict resolution may be invited as facilitators. This will explore alternatives to official channels of communication and aims to facilitate exchange of ideas on cross-Strait peaceful co-existence.

The FFCCCII can also host business-matching events inviting both Taiwanese and Mainland professionals, a first in FFCCCII history since its first-generation leaders emigrated from Fujian, China.

## III. Strategies for the U.S. government to help Taiwan

By virtue of its long-standing role as the security and diplomatic balancer in cross-Strait relations and the Asia-Pacific region as a whole, the U.S. has a unique capacity to help Taiwan "get what it wants" in the international arena. Because a peaceful status quo with a viable, democratic, and economically robust Taiwan coincides with U.S. interests and preferences, there are numerous avenues by which U.S. policies – whether unilateral or made in conjunction with regional partners – can help promote and maintain this outcome.

*1. Ensuring Taiwan can expand its international role*

Taiwan's international role remains a deeply contentious subject in U.S.-China relations, and it would be unwise for the U.S. to unilaterally reconfigure its stance or otherwise seek to single-handedly affect the status quo – even in the current climate of cross-Strait integration. Constrained by a series of bilateral communiqués with Beijing and the extraordinary sensitivity of the "Taiwan issue" in PRC politics, U.S. efforts will necessarily be muted and will reflect a disinclination for provocative steps that indicate any change in Taiwan's diplomatic status.

Although the PRC is, on principle, committed to circumscribing any expansion of Taiwan's role in the international community, the "red lines" that would indicate such a development are not entirely clear. Membership in organizations that require statehood is among the mainland's sticking points, as are formal, bilateral diplomatic overtures that lend credibility to Taiwan's sovereign status. Beyond diplomatic threats against countries that afford Taiwan a greater degree of recognition than Beijing is willing to countenance, China's "dollar diplomacy" has further undermined Taiwan's international space by providing hard cash incentives for states that change their recognition from ROC to PRC. It remains unclear what other steps Beijing will oppose beyond the "three No's;" the forbearance offered when Beijing froze efforts to peel off Taiwan's diplomatic partners indicates that the "red lines" are not as indelible or straightforward as they were during periods of heightened cross-Strait tension.

However, this does not preclude the U.S. from playing a constructive role. By reassuring the PRC with less ambiguous declarations of U.S. intent and displaying comfort with the warming cross-Strait relationship, it is possible for Washington to create space for Beijing and Taipei to build mutual trust and, ultimately, achieve a stable political relationship. The escalating awareness of transnational threats, though troubling, does have a silver lining for Taiwan in the sense that climate change, environmental disasters, global pandemics, terrorism, piracy and globalized financial networks are not inherently state-based and may provide an ideal venue for the participation of Taiwanese institutions. Regardless of its sovereign status, Taiwan is an advanced economy with a capable government and a major stake in these transnational developments. Finding mechanisms for Taiwan's participation in efforts to contain and eliminate such threats can be done through non-diplomatic channels by engaging public and private

stakeholders while maintaining wariness of the (admittedly obscure) threshold at which Beijing will protest or intervene.

*2. Helping Taiwan maintain economic growth*

Economics remain the most fruitful arena in which the U.S. can help Taiwan without introducing undue strains into relations with China. Not only are the viability of efforts in other dimensions largely contingent upon a healthy and growing Taiwanese economy, but these steps can be undertaken primarily through informal channels – especially the private sector. In this way, U.S. support can avoid the antagonism that characterizes any official act seen by the mainland to alter the status quo. Creating an environment in which commercial ties can flourish requires thoughtful and deftly implemented government involvement – but this can be engineered in such a way that it appears as a sin of omission, rather than commission. The current upswing in global economic fortunes presents an opportunity to strengthen existing commercial and trade relationships without the need to upgrade formal protocols, and investment in Taiwan's economy – especially its high-tech sector – will likely follow.

Supporting trade, investment, and commercial opportunities will be less objectionable to the PRC because of the increasing complementarity of the cross-Strait economic relationship. This approach will be a boon for the region as a whole that the PRC will be loathe to oppose on political grounds out of regard for cultivating an image as a constructive regional player. A healthy Taiwanese economy, in turn, feeds back positively into Taiwan's other objectives, augmenting the Ma administration's legitimacy at home, which would be threatened if Taiwan's economic fortunes decline. Strong economic footing creates favorable conditions for a stable cross-Strait relationship and imparts confidence to Taiwan's attempts for more meaningful regional diplomacy.

*3. Helping Taiwan maintain and receive recognition for its democratic institutions*

U.S. officials and private citizens view Taiwan's democratization as one of the most notable success stories of the 20$^{th}$ century. This profound appreciation is expressed via public and private channels, though it is tempered by PRC objections when articulated in official contexts. The earlier suggestion of a "Young Democracies of Asia Fund" is one vehicle for reinforcing this recognition – and promoting similar democratization processes throughout the region.

Beyond such institutionalized arrangements, the U.S. can leverage Taiwan's experience in democratization in other contexts where poor governance has contributed to bad outcomes. Afghanistan is one opportunity to engage Taiwanese non-government actors as consultants, an act of public diplomacy that would enable Taiwan to garner international recognition for its "success story" without the need for official diplomatic exchange between the U.S. government and Taiwan.

*4. Helping Taiwan maintain stability with mainland China*

The U.S.-Taiwan-China relationship is tremendously feedback-prone, and will remain deeply sensitive to U.S. positions whether Washington wants that to be the case or not. The present U.S. administration has welcomed the warming of cross-Strait ties and explicitly stated that it will seek to create an optimal environment for Taiwan to continue peaceful engagement with the mainland. This is a thoughtful approach, but it will require more than standing idly by if meaningful benefits are to be reaped. Non-"status quo" diplomatic activity vis-à-vis Taiwan and arms sales are two critical pressure points that will demand continuous attention if a stable cross-Strait relationship is to be sustained.

Since the visa protocol spat over former Taiwan President Lee Teng-hui's visit to Cornell in 1995 that helped trigger the 1995-1996 Taiwan Strait crisis, the U.S. diplomatic position has been mostly static. It should remain so, thus depriving the PRC of excuses or provocation for scuttling the present round of talks over ECFA and the long-awaited diplomatic "freeze" that has seen Beijing forego its usual practice of aggressively peeling off Taiwan's diplomatic partners.

Arms sales remain the most volatile threat to cross-Strait stability, but the damage they inflict can be contained with transparency and reassurance. The character of the weapons and systems provided should be defensive – however difficult that may be to prove – and the relationship of those sales to the 1982 Joint Communiqués commitment not to seek a "long-term policy of arms sales to Taiwan" must not be obscured or ignored as in the past. Justly or not, the mainland believes the US is acting in bad faith when it does not acknowledge the substance of this communiqué, creating a less favorable environment for future progress. The overriding, long-term objective must be ensuring the peace and security of the Western Pacific, so Washington should strive to avoid compromising that with sales motivated by short-term political considerations.

One approach might be for U.S. officials to explore potential linkages between weapons sales and the deceleration of the PRC military buildup – particularly of missiles in Fujian and other direct threats to Taiwanese security. Although PRC and ROC negotiators are unwilling to view Taiwan's military capabilities and the mainland's missile deployment as like quantities, Washington is in a unique position to affect that calculus. Specifically, the 1979 Taiwan Relations Act gives the U.S. a great degree of discretion when it obligates the U.S. to "make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." The determination of the *sufficiency* of that self-defense capability is clearly made in relation to mainland offensive capabilities, and will undoubtedly be affected by the Congress' perception of mainland *intentions*. Fuller discussion of the 2009 Taiwan Quadrennial Defense Review with Taiwanese officials or other expressions of this connection with some precision in a public forum may give leadership on both sides of the Taiwan Strait grounds for discussing mutual steps to de-escalate the arms buildup. Ultimately, this may assuage fears on both sides and in so doing contribute to a real reduction in Taiwan's defensive requirements.

*5. Helping Taiwan maintain external security assurances from the U.S.*

Although the U.S.-Taiwan Mutual Defense Treaty was nullified in 1980, the U.S. commitment to Taiwan's security has not substantively diminished. Reassuring the people of Taiwan that this is the case, however, will remain a complicated task for U.S. leaders. The localized strategic balance across the Strait has been undermined by the mainland's greatly augmented military capacity, and a new reckoning is necessary to reassure Taiwan that its security is not going to be jeopardized.

Taiwan can help itself to an even more robust U.S. security commitment by decreasing the risk felt in Washington that Taipei will "gamble" with the expectation of U.S. military assets coming into play in their defense. Friction with the "troublemaker" Chen regime led the Bush administration to state that the U.S. military would not intervene in the event of a Taiwanese declaration of independence or other attempts to revise the status quo. Although this caused much hand-wringing in Taiwan, it can also be interpreted as a meaningful reassurance that *absent* unilateral Taiwanese provocation, the U.S. is a reliable partner in the event of a threat of imminent invasion or attack.

The Northeast Asian regional security balance is undergoing a profound shift as China, Japan, and South Korea continue to redefine their roles in the post-Cold War strategic environment, by way of military modernization, updated security relationships, and revised defensive postures that take account destabilizing nuclear developments in the DPRK. Taiwan's security is contingent on these developments, so U.S. officials would do well to recognize the system-wide effects of changes to Taiwan's military posture and capabilities. By keeping Taiwanese leadership informed of these regional developments and their broader implications, Washington can help reduce Taiwan's uncertainty about the nature of U.S. security commitments in the region and give Taipei the information and confidence necessary to pursue closer and more stable ties with the mainland.

## IV. Conclusion

The preceding recommendations proceed from the premise that what Taiwan really "wants" is the perpetuation of the status quo. The imprecision inherent in such a goal is manifested in the often contradictory representations of the "status quo" that the interested parties have. Beijing and Taipei would define prevailing conditions in different ways – and different stakeholders within each society would have even more polarized definitions. Appreciating this ambiguity, we have proposed a few dimensions to help define how the status quo should be maintained: (1) ensure that Taiwan continues to be able to expand its role in the international community, (2) help Taiwan maintain economic growth, (3) help Taiwan maintain and receive recognition for its democratic institutions, and lastly, (4) help Taiwan maintain stability with mainland China. The suggestions we have for how to attain these ends provide a credible starting point for what will certainly be a long and complex process of maintaining peace and stability midst powerful currents of change, not only in Taiwan and the mainland, but throughout the region and the world.

Although the activities listed above are things that the governments of the Philippines and the United States could do to help Taiwan maintain the status quo, there is no guarantee that either state will be inclined to do so. The Philippine government is under an enormous amount of stress due to the economic crisis and recent natural disasters. Helping Taiwan achieve its goals is unlikely to be at the top of its priority list. And, if setting up something like a Young Democracies of Asia Fund is expensive, it will be difficult to achieve until budgets regain their footing.

Meanwhile, the United States is distracted. It is embroiled in two wars, facing strategic threats from North Korea and Iran, is only slowly regaining its economic footing, and is making vocal commitments to begin to deal with climate change. It will need mainland China's help to achieve all of these things, and may need to sacrifice certain objectives to secure that help. Though the U.S. is committed to continuing to maintain strong support of Taiwan, the last thing the Obama administration wants are disagreements with mainland China about Taiwan. So, the United States is likely to help Taiwan only to the extent that action does not raise significant hackles in mainland China. In some cases, that will likely result in decisions Taiwan does not particularly like. Taiwan must make the distinction between being *abandoned* by its partners and not having all its needs met at all times. The present administration has attempted to make this easier by publicizing a "surprise free and low-key" Taiwanese role in the region, but delivering on this promise will do much to help those inclined to help Taiwan in a complex international environment.

In sum, if Taiwan wants help to maintain the status quo, then it will need to prioritize its desires and make clear and targeted tasks that take careful account of the Philippines' and the U.S.'s own needs and interests. This means that the DPP and KMT will need to learn to agree on certain things, and the public will need to learn that it may need to make sacrifices in certain areas to make gains in others. Taiwan has strong allies and friends, but they can only help so much. It is ultimately Taiwan's responsibility to chart a clear path forward.

# Appendix A

## About the Authors

**Ms. Maria Kristela Sylvia B. CASTRONUEVO** is a research analyst of the Armed Forces of the Philippines Resource Management Office. Formerly, she was a researcher of the Armed Forces of the Philippines Modernization Program Management Office. She studied Bachelor of Arts in Public Administration at the National College of Public Administration and Governance, University of the Philippines – Diliman, and intends to take up further study in International Studies next school year.

**Ms. Yi-Wen "Avis" CHANG,** from Taiwan, is an MA candidate at the Institute of China and Asia-Pacific Studies at the National Sun Yat-sen University (NSYSU). She earned her BA at the National Tsing-Hua University, majoring in Chinese Literature. She is interested in foreign affairs and international relationships between Taiwan and other organizations. She now works at the European Union Centre in Taiwan of NSYSU as an executive assistant.

**Dr. Min-hua CHIANG** received her MA in International Business Economics from Katholieke Universiteit Leuven (Belgium) in 2002, as well as her MA in International Political Economy and a Ph.D. in International Economics from Université Pierre Mendès France-Grenoble-II (France) in 2004 and 2008. She was involved in Professor Liu Fu-Kuo's research project, "The Current Situation in the South China Sea Region and Taiwan's New Strategic Thinking" at the Institute of International Relations, Chengchi University. She then joined the Taiwan External Trade Development Council, where research projects include "the threat and opportunity for Taiwanese entrepreneurs in China" and Taiwan's long-term external trade policy.

**Mr. Sungmin CHO** has been studying toward an MA in International Relations at Peking University in China since September 2008. He received his BA in Political Science and International Relations at Korea University. He spent one year as an exchange student at the University of British Columbia in Vancouver, Canada in 2003-2004. Upon graduating in 2005, Mr. Cho joined the Republic of Korea Army as an intelligence officer. Serving three years, including a seven-month tour to Iraq in 2006, Cho finished his military duty in 2008. Currently, he is an intern at the Beijing office of the UN High Commissioner for Refugees and is working on his dissertation with a focus on the North Korean nuclear issue and its impact on Sino-U.S. relations.

**Mr. Isaac KARDON** completed an MA in Modern Chinese Studies at Oxford this past June, with a concentration on international relations and security in the Asia-Pacific, focusing on counterterrorism. He is presently on a language scholarship at National Taiwan Normal University, where he is also working in the Politics Department as a research assistant on maritime disputes in the South China Sea. He obtained his BA degree in American diplomatic history at Dartmouth College, and worked in journalism prior to beginning graduate studies in 2007.

**Mr. Kei KOGA**, from Japan, is a Vasey Fellow at the Pacific Forum CSIS and a Ph.D. candidate in International Relations at the Fletcher School of Law and Diplomacy, Tufts University. His research interests include international relations theory, international security, terrorism, East Asian regionalism, U.S.-Japan relations and ASEAN. Before attending Fletcher, he served as a Research Fellow at the Japan Forum on International Relations (JFIR) and as assistant executive secretary at the Council on East Asian Community (CEAC), where he researched political and security cooperation in East Asia on traditional and non-traditional security issues. He also teaches International Relations and East Asian Security at the Open University of Japan. He received an MA in International Affairs at the Elliott School of International Affairs, George Washington University, and a BA in International Affairs at Lewis & Clark College.

**Ms. Jonizel LAGUNZAD** holds an MA in Diplomacy With Distinction, and a MA in International Affairs, both from the Australian National University. At ANU, she specialized in Asia-Pacific security, China's global engagement and domestic transformation, ASEAN and Asian regionalism, as well as crisis management, negotiation, and conflict resolution. She worked for the Philippine government for six years, most recently as a Director at the Office of Sen. Richard J. Gordon, Senate of the Philippines, where she provided analysis and strategic direction to the legislative and political programs. She is currently part of the policy advisory team of a presidential candidate for the 2010 Philippine presidential election.

**Ms. Chih-Yun "Eunice" MA**, from Taiwan, is a Master's candidate at the Institute of China and Asia-Pacific Studies at the National Sun Yat-sen University. She earned her Bachelor's degree at the National Taipei University of Education, majoring in Preschool Education. She closely follows the political development of Taiwan and international relationships and is interested in how Taiwan, though small, plays an important role in global politics.

**Ms. Charmaine MISALUCHA** is a Ph.D. Candidate at the S. Rajaratnam School of International Studies of the Nanyang Technological University in Singapore. Her dissertation reconstructs Southeast Asia-US relations, and argues that the relationship can be seen as mutually constitutive especially if language games are used as a method of analysis. She received her MA from De La Salle University in Manila, with her thesis focusing on the diffusion of small arms and light weapons in Southeast Asia. Currently, she teaches at the International Studies Department of De La Salle University.

**Ms. Shan "Vency" NI** was born in Shanghai and is a graduate student in diplomacy at the China Foreign Affairs University (CFAU). Her research interests are diplomacy of nations from the Asia-Pacific region and nontraditional security. She graduated from Shanghai Jiao Tong University with a major in public administration and minor in law. Due to excellent performance, she was the only one admitted to CFAU for the Master's program in diplomacy without any exams. She participated in both the Harvard Model United Nations (2007) as the Tanzania delegate on the Legal Committee and in the Beijing Foreign Studies University Model United Nations (2008) as the U.S. delegate on the Security Council.

**Stephanie Chen-yu WANG** is a Ph.D candidate at Peking University in the School of International Studies. Her dissertation is about Taiwan's Identity Politics. Stephanie holds an MA from International Christian University, Tokyo, Japan specializing in Peace Studies. She was an Assistant Research Fellow at Chung-hua Institute for Economic Research (CIER) in Taipei, Taiwan, providing consultation to the Taiwan government.

**Ms. Emily WARREN** manages the Hewlett Foundation's Nuclear Security Initiative, a multimillion dollar grantmaking initiative that provides funding to researchers and nonprofits working to reform international policies governing nuclear weapons and technologies and to reduce the risk of a nuclear attack anywhere in the world. She also manages a wide variety of special projects, ranging from efforts at legal reform in China to human rights work worldwide. Em received a BA in economics and a minor in political science from Stanford University, where she focused on poverty relief and economic development in Latin America. Em was recently awarded a Marshall Scholarship and in 2010 will begin studying for a PhD in Economics at the London School of Economics, with a focus on those issues at the intersection of economics, development, and security in Asia-Pacific.

**Ms. Ting XU** was born in Sichuan, China. She started her career as an account executive for Dentsu, Inc. Before she joined the Bertelsmann Foundation, she was a World Bank consultant, working on sustainable development projects for China. She was a member of the World Bank team on Wenchuan Earthquake Emergency Relief and Reconstruction in 2008. Ms. Xu also worked for the International Fund for Agricultural Development in Washington and the Asian Development Bank Institute in Tokyo. She was a Graduate Fellow of the United Nations Association. Her most recent publication is "All European Countries Not Equal for China." She holds a B.A. in Business Administration from Beijing Normal University and an MA in International Economics and International Affairs from Johns Hopkins University, School of Advanced International Studies.

# Appendix B

## Pre-Conference Essays

*What country is Taiwan's most important partner?*

**Ms. Maria Kristela Sylvia B. CASTRONUEVO**
Considering that the term "partner" has many dimensions, I would say that, Taiwan is a partner to all countries across the globe. As parts of the system, states are inter-dependent, implying that an action by one can and may have an implication for the others, regardless of its degree. Given the need of Taiwan to boost its ailing economy, it needs all the perks and benefits it could get from all countries. Thus, it must play the role of a partner to all, which is perhaps one of the many rationales for its current relationship with China.

**Ms. Yi-wen "Avis" CHANG**
Singapore is Taiwan's most important partner. The density of overseas Chinese there is the highest in the world. Visitors to Singapore say, "It's just like another Taiwan." Taiwanese have been able to adapt to the climate and surroundings quickly, offering an attractive incentive for Taiwan's merchants. Therefore, Taiwan will likely deepen its trade relationship with Singapore. The exchange of education and culture between Taiwan and Singapore is frequent, helping Taiwanese students broaden their views. While competition exists between Taiwan and Singapore, it fortunately does not result in direct political conflict, leaving opportunities to cooperate with each other.

**Ms. Min-Hua CHIANG**
China is Taiwan's most important partner from an economic point of view. The cross-Strait economic relationship has blossomed, especially after President Ma took office. China is now the largest market for Taiwan-made products; around 40 percent of Taiwan's exports goes to China. Negotiations between the two sides for an Economic Cooperation Framework Agreement (ECFA) are expected to ease trade restrictions even further. The recent financial crisis also made cross-Strait economic ties become closer. As China seems to be the first economy emerging from the global recession, Taiwan would like to take advantage of the expansion of China's domestic market. Instead of exporting goods to the U.S. after manufacturing them in China, Taiwan is looking to the Chinese market to sustain its export-led economic growth. But the Taiwanese government is still cautious. While opening its economy to China, Taiwan wants more economic benefits while maintaining its political autonomy.

**Mr. Sungmin CHO**
Taiwan needs to maintain close relationships with South Korea and Japan. By doing so, Taiwan can supplement ties with the US in an indirect manner. Despite the recent improvement of cross-Strait relations, Taiwan's defense posture has been weakening relative to the increase in China's military power. In contrast with the greatly improved economic cooperation between China and Taiwan, the Taiwan Strait is still full of

tension. Given its vulnerability in defense, Taiwan needs to ensure US support in case of military conflict with China. Increasingly complex China-U.S. relations hinder the US from demonstrating its resolve to defend Taiwan. History has also diminished Taiwan's confidence in the US commitment. Additionally, Taiwan cannot directly court attention from the US due to China's sensitivity regarding such Taiwan actions. However, Korea and Japan have sympathized with Taiwan as a legacy of the Cold War and because of the similarities in their social systems and values of liberal democracy. Strengthening ties with Korea and Japan will have positive impacts on Taiwan's relationship with the US, since these two countries remain the strongest allies of America. In practice, strategic flexibility of the US forces in both Korea and Japan will project US power over the Taiwan Strait, under the assumption that the Korean and Japanese governments fully agree with the US on the movement of US forces in a contingency in the region of Taiwan Strait. As such, to influence US resolve, Taiwan should improve relations with South Korea and Japan rather than attempt to directly reinforce its ties with the US

**Mr. Isaac KARDON**

The PRC will remain Taiwan's most important partner for the foreseeable future. This conclusion holds true from economic, geopolitical, and social perspectives. Not only does the mainland figure prominently as Taiwan's principle trade and investment partner, but the ECFA will reinforce that vital economic relationship. Geopolitically, diplomatic and military pressure applied by the PRC is central to the conduct of Taiwan's international affairs and profoundly affects the tenor of the island's domestic politics. Finally, in a more abstract sense, Taiwan cannot carve out a durable, internationally recognized identity without reference to China as a whole; even as an independent nation, the cultural and social connections to China would remain fundamental. A more certain partnership is unlikely to eliminate cross-Strait strategic mistrust, but it is of the utmost importance to Taiwan's present security and future prosperity.

**Mr. Kei KOGA**

From a security and political perspective, Taiwan's most important partner is the United States. First, the United States provides a deterrent. Given the PRC's rapid economic growth and military build-up vis-à-vis Taiwan, the United States plays a critical security role in defending Taiwan by militarily committing to the Taiwan Strait and providing arms sales. If the PRC attempts a preventive attack on Taiwan, there will be the possibility of intervention as occurred in the 1996 Taiwan Strait Crisis. Second, the United States provides a diplomatic opportunity for Taiwan to ease tension with the PRC. Stability in the Strait that the United States provides gives Taiwan an opportunity to pursue a "hedging" policy toward the PRC. While deterring China's preventive attack, Taiwan can pursue negotiations with the PRC to ease political tensions. Backed by U.S. arms sales to Taiwan, President Ma Ying-jeou's nonconfrontational policy toward the PRC (pursuing a "diplomatic truce" and strengthening economic interdependence) has eased political and military tensions with the PRC that were created in the Chen Shui-bian era, which has also opened the door to greater international participation for Taiwan, such as participating in the World Health Assembly as an observer, and for the possibility of establishing CBMs between them. Third, the U.S. and Taiwan have the same

democratic political system. With common values, the U.S. political preference is geared toward Taiwan in comparison with the PRC.

However, it is important to note that the United States is not always favorable to Taiwan. If stability is threatened by Taiwan, such as by Chen Shui-bian's political commitment to Taiwan's independence, then the United States will not support such a move. In this sense, the United States is the military and political stabilizer in the Taiwan Strait, but improvement of cross-Strait relations, which is vital to Taiwan's security, ultimately depends on a "healthy balance" in the Taiwan Strait, which includes not only a military balance, but also a political balance. Since this "healthy balance" cannot be determined by the United States, and since the political balance depends on Taiwan's and the PRC's commitment to non-use of force and further negotiations with each other, the tripartite relationship is the key to a solution for the Taiwan problem.

**Ms. Jonizel LAGUNZAD**
*ROC's long-term goals*, taking into consideration the evolving dynamics of PRC-ROC, ROC-U.S. and U.S.-PRC relations, are the determining factor in analyzing which country is the ROC's most important partner. It can be argued, however, that if politically, the majority prefers the status quo as the best option for Taiwan, the United States then serves as a hedge not only against hawkish elements in China but also against those advocating independence in Taiwan. Economically, as the Taiwan economy remains export driven, and the U.S. continues to be one of its largest export markets and trading partners, a strong alliance with the U.S. benefits most industries. In terms of ROC defense, continued U.S. support provides Taiwan a blanket of security, symbolically and diplomatically. This suggests that at present, the U.S. remains the ROC's most important ally. This "partnership," however, has to be reassessed in light of the changing needs of the Taiwan economy, security, and society. The pertinent question is whether U.S. interests are and will be compatible with those of Taiwan.

**Ms. Chih-Yun "Eunice" MA**
Japan is the most important partner for Taiwan. First, there is the fact that Taiwan was a colony of Japan for half a century. During those years, Japan considered Taiwan the most significant strategic base of operations, with a long-term plan for basic construction, urban plans, and transportation. Japan not only deepened Japanese culture and education in Taiwan, but also stipulated that Taiwanese people speak Japanese. For those reasons, Taiwanese feel familiar with Japan. On the other hand, both Taiwan and Japan are sandwiched between America and China, and have a similar strategic position in the East-Asia first island chain. Due to shortages of natural resources, both Taiwan and Japan depend on foreign trade, and they have close relations among industries. The similar economic and geographic conditions between Taiwan and Japan lead them to have similar strategic objectives. Therefore, Japan is still the most important partner for Taiwan.

**Ms. Charmaine MISALUCHA**
In international relations, definitions of "partner" or "partnership" are almost always rooted in material factors. U.S.-Taiwan relations, for instance, hinge on the U.S.-backed

arms sales as part of the latter's defense needs. Furthermore, both these countries approach their relationships with China by taking into consideration economic and military clout. However, material factors, while significant, are insufficient grounds for determining which state is the most important partner. Materiality needs to be complemented by ideational factors such as intersubjective beliefs, norms, and culture if any partnership is to take root and to grow. Thus, the combination of material and ideational factors points to ASEAN countries as Taiwan's best choice of partner. The proximity of Taiwan to Southeast Asia makes these states a practical choice. Moreover, Taiwan is also economically and ethnically on par with countries like Singapore and to a certain extent, Malaysia. Most importantly, however, Taiwan and the ASEAN countries share a certain cautious approach to China, a feature that may jumpstart a significant partnership in the future.

**Ms. Shan "Vency" NI**

China is the most important partner for Taiwan not only for geopolitical reasons but also because of cross-Strait relations. Although there are still many problems between the two sides, progress needs joint efforts, especially during the recovery from the global financial crisis. Additionally, China is developing quickly, which will bring more opportunities than challenges to both sides.

First, in the political field, compared to the Chen Shui-bian administration, Ma Ying-jeou addressed his policy of "no reunification, no independence and no war" as a priority and promise of his administration, which could be seen as a friendly signal to Beijing. Ma has made great efforts to ease the tension between the two sides. At the same time, Chinese President Hu Jin-tao has stressed peaceful development as the cornerstone of the relationship including improving relevant laws and regulations, etc. Despite the many disputes surrounding Taiwan's participation in the WHA, a solution was reached based on the premise of being an observer and not "a member country." A tacit understanding can endure between both sides if they focus on functional cooperation. Therefore, if Taiwan wants more international space and build its presence in international organizations, China's support is critical.

Second, in the economic field, the success of the "three direct links" is a notable achievement. Trade and tourism related to cross-Strait relations has expanded rapidly. Furthermore, protection of legal rights and the interests of Taiwanese businessmen on the mainland China has been promoted by the Chinese government's policy of encouraging investment. For Taiwan, mainland China is a huge potential market. Corporations from the mainland have began to invest money in Taiwan's industries, which seems especially significant for recovery. The growing number of "direct flights" is believed to contribute to rising trade between both sides. Consequently, Taiwan's economic development depends much on increasing trade with mainland China. Meanwhile, due to its unique geographical position, Taiwan needs to rely on mainland China's natural resources and high technology for construction on the island of major projects.

There are other ways to increase cross-Strait cooperation. Mainland China has held a variety forums and conferences aiming at promoting common economic development.

Others, like the health department in Taiwan, are trying to cooperate with the mainland to jointly solve infectious diseases like bird flu. Even though there are still many difficulties, the future of Taiwan depends on joint efforts and closer cooperation with China.

**Ms. Emily WARREN**

China will be Taiwan's most important partner in the years ahead. For the past few decades, the cross-Strait trilateral dynamic among the U.S., Taiwan, and China makes it difficult to consider any country besides the U.S. or China for this role. The U.S. would have been the answer to this question, but rapid changes have altered the calculus. As both China and Taiwan gain in strength relative to projected United States growth and power, (while still remaining weaker in absolute terms), the interests of Taiwan are unlikely to continue to align as well with those of the U.S. as in the past. In particular, there are elements within the United States that are not currently in power. Thus, if perhaps only by process of elimination, China will be Taiwan's better partner in coming decades. Both China and Taiwan have put economic development at the forefront of their strategic interests. This is even more apparent for the younger generations that will be coming to power in each state. Trade and economic integration have benefited both, Taiwan even more than China. Whatever the ultimate compromise regarding specific political arrangements, there is no feasible alternative for the island than to continue to tie itself more closely to the economic boom of its neighbor, letting younger generations decide for themselves how to grapple with still-daunting historical tensions.

**Ms. Ting XU**

First, what I define as a partner is different from a friend. For example, we probably can't imply, that the U.S. and China are friends; rather they are strategic partners toward certain aims. I would say the most important partner for Taiwan now is mainland China. This claim is based on the economic partnership, traditional cultural ties, as well as nontraditional challenges (such as climate change, energy security, financial stability, aging society, pandemics, etc) that both sides face. One can argue that politically and militarily, the U.S. should be the most important partner for Taiwan. However, to have a long-term vision, peace and prosperity provide the best future for both sides of the Strait as well as the U.S. Being a strategic partner would aim at developing further economic and cultural integration, strengthening the ability of partners to counter nontraditional challenges. A well-managed partnership will help ease political and military tensions, which would be much more fruitful than focusing on military/political partnership.

# Appendix C

**Asia-Pacific Security Forum 2009**

**Asia-Pacific Security in the Context of Global Economic Crisis**

*Updated Provisional Agenda*

Institute for National Policy Research (Taiwan)

Co-hosts:

The Pacific Forum CSIS (US)

Institute for Strategic and Development Studies (Philippines)

Asia Center (France)

August 24-25, 2009

1F, Noble House, Grand Formosa Regent Taipei, Taiwan

41 Chung Shan North Road, Section 2 台北晶華酒店, 中山北路二段41

| **August 24th, 2009（Monday）** | |
|---|---|
| **Time** | **Agenda** |
| **08:00 - 08:30** | **Young Leaders Program Introduction: Meet Brad Glosserman and Victoria Hart at registration area.** |
| 08:30 – 09:00 | Registration |
| 09:00 – 09:10 | Welcoming Remarks |
| 09:10 – 09:40 | Keynote Speech |
| 09:40 – 10:00 | Coffee Break |
| 10:00 – 11:30 | Panel I：The Impact of Global Recession on Asia-Pacific Security |
| 11:30 – 12:00 | Open Forum |
| 12:00 – 13:30 | Luncheon Speech |
| 13:30 – 15:00 | Panel II：Regional Integration and Economic Security in the Asia-Pacific |
| 15:00 – 15:20 | Coffee Break |
| 15:20 – 16:20 | Open Forum |
| 16:20 | Adjourn |
| 19:00 | Dinner, 4th Floor VIP Room 5, with INPR Board members. Dress code: formal |

| August 25th, 2009（Tuesday） | |
|---|---|
| **Time** | **Agenda** |
| 08:00 – 9:00 | **Optional breakfast for Young Leaders** |
| 09:00 – 10:30 | Panel III：FTAs, “Competitive Liberalization” and Asia-Pacific Security |
| 10:30 – 10:50 | Coffee Break |
| 10:50 – 12:20 | Panel IV：The Obama Administration’s Policies Toward the Asia-Pacific: Human Rights, Economic Interests, and Regional Security |
| 12:20 – 13:30 | Lunch |
| 13:30 – 15:00 | Panel V：The Second Democratic Transition of Power in Taiwan and New Era of Cross-Strait Relations |
| 15:00 – 15:20 | Coffee Break |
| 15:20 – 16:20 | Panel VI：Concluding Session |
| 16:30 | Adjourn – *Dinner to be announced* |
| 19:00 | APSF conference farewell dinner, 4th Floor VIP Room 2. |

Co-sponsors: Ministry of Foreign Affairs, ROC (Taiwan); Office of Trade Negotiations, Ministry of Economic Affairs, ROC (Taiwan); Taiwan Foundation for Democracy (Taiwan)

# YOUNG LEADERS IN TAIWAN

**CO-ORGANIZED BY**
**PACIFIC FORUM CSIS**
**TAIWAN FOUNDATION FOR DEMOCRACY**
**CENTER FOR ASIA-PACIFIC AREA STUDIES**

**AUGUST 26, 2009**
**TAIPEI, TAIWAN**

| | |
|---|---|
| | Visit to Ministry of Foreign Affairs (MOFA) |
| 09:30 – 10:30 | Chairman of Research and Planning Committee Mr. Huang Kui-bo(黃奎博) |
| | Visit to Democratic Progressive Party (DPP) |
| 10:45 – 11:45 | Chairman of DPP Department of International Affairs Ms.Bikhim Hsiao (蕭美琴) |
| 12:15 – 13:30 | *Lunch at restaurant—Din Tai Fung* |
| 14:00 – 15:00 | Mainland Affairs Council<br>Director of Department of Policy Planning Mr. Zhu Shi(朱曦) |
| 15:15 – 16:15 | Kuomingtang (Nationalist Party)<br>Ex-ROC's ambassador to US Mr. Chen Shi-fan (陳錫藩) |
| 16:30 – 18:00 | YL Roundtable meeting at TFD office building<br>TFD Senior Researcher Dr. Michael Kau (高英茂)<br>Pacific Forum CSIS Executive Director Brad Glosserman |