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Frog in the Well and Chicken Little by Shirley Kan

A visit to Taiwan provides a reminder of the persistent gap in mutual perceptions between Americans and Taiwanese. From a U.S. perspective, Taiwan is like a frog in a well. It is isolated diplomatically by China, but it also needs to avoid isolating itself from the real world, economically, politically, and militarily.

The world has changed since the 9/11 terrorist attacks. There are challenges to international security in Afghanistan, Iraq, North Korea, Iran, and elsewhere. China's economy surges in a way that the world cannot ignore. The People's Liberation Army (PLA) has modernized at an accelerated pace after the 1995-1996 Taiwan Strait crisis. The United States alone cannot maintain global peace and stability, and its allies and friends have constructive roles to play.

While the U.S. has urged Taiwan to fulfill its responsibility for promoting stability through its self-defense capabilities, leaders of Taiwan's ruling Democratic Progressive Party (DPP) and opposition Kuomintang (KMT) bicker and blame each other for inattention to national security. While frustrated U.S. officials and businesses have been waiting for years for decisions on Taiwan's defense, the answer from political decision-makers already is evident: there is no sense of urgency when it comes to Taiwan's self-defense.

In Taipei, domestic politics dominate. Strategic thought is lacking. Damage has been done to the U.S.-Taiwan relationship. On Jan. 19, Taiwan's legislature ended what was considered the "critical" session (for dealing with long-delayed arms purchases and increased defense spending) with a political fight and no 2007 defense budget. The soonest that politicians might pass a defense budget is early March – if there is political will.

Taiwan sometimes sees the United States as Chicken Little, crying that the sky is falling. President George W. Bush has been warning President Chen Shui-bian that Washington expects "no unilateral changes to the status quo." Chen has called for "democratic reforms," such as holding referendums, terminating guidelines on national unification, proposals for a new constitution, and February's name rectification (to add "Taiwan" to the names of the postal service, an oil company, and a shipbuilding company).

The Bush administration has criticized Taiwan's domestic decisions in the name of preserving the peace. On Feb. 9, the State Department criticized the name rectification stating "we do not support administrative steps by the Taiwan authorities that would appear to change Taiwan's status unilaterally or move toward independence." While agreeing that the U.S. does not support Taiwan's independence, former Deputy Secretary of State Richard Armitage called the State Department's interference an "over-reaction."

Taiwan's politicians across the political spectrum have and will utter many ideas. So far, the people of Taiwan seem to have enough sense to separate silly ideas from serious ones. Yet Washington watches for every word in every speech from Chen. The Bush administration tends to take all political utterances quite seriously, in the name of stability. But Washington risks sounding like it sides with the belligerent bully across the strait, validating its alarmist threats against a democracy, and undermining U.S. credibility by firing flares at every move and singling out one side for repeated rebukes.

The U.S.-Taiwan relationship is adrift and managed at the micro level. The tone the U.S. takes toward its democratic friend is often negative. Businesses are unsure about Taiwan's economic policies. Well into the second terms of the Bush and Chen administrations, when there should be growth in ties, trust, and understanding, Taiwan is often the wild card in the U.S.-China-Taiwan triangle. Uncertainty and concerns remain. Washington is jumpy and unsure of its effect on Taiwan.

For its part, Taipei stays in its little reality, seemingly oblivious to the outside world. Beijing builds up its warfighting capability along with its enormous economic might, shifting the cross-Strait military balance in its favor. There are limits to Taiwan's deterrence and dialogue across the strait. It does not seem enough to simply say year after year that a lot is at stake in the Taiwan Strait.

It might be overdue for a policy review in Washington. A reassessment would shift the focus to a strategic picture that sees positive results in a sustainable relationship with economic, political, and security benefits. A new **strategic** approach could raise the level of dialogue from micro-management of irritants and frustrations in the bilateral relationship to senior-level attention and inter-agency achievement of results for broad U.S. interests. The Congress, U.S. Trade Representative, Departments of Commerce, Defense, and State, and the White House could contribute input to the new policy.

Three general principles might guide a comprehensive review. First, might U.S. policy be more **clear and credible**? How does the U.S. define the "status quo"? What is Taiwan's status? What are the limits to diplomatic treatment of Taiwan, so certain issues with Taiwan (such as whether to allow high-level meetings in Washington*)* might be replaced with realistic objectives? What robust efforts might be undertaken to fill out the worn-out, hollow rhetoric calling for dialogue across the Taiwan Strait*?* What is the extent of the U.S. commitment to Taiwan's self-defense under the Taiwan Relations Act?

Second, is there appropriate **balance** in the parallel U.S. relationships with the People's Republic of China and with Taiwan? Some perceive Washington as lacking balance in criticizing and commending Beijing vs. Taipei. There is

symbolic meaning in an empty construction site for the new American Institute in Taiwan building while almost half a billion dollars is spent on a new embassy in Beijing. Why the nit-picking over Taiwan's internal changes as the PLA buildup continues?

Third, what interests should be the focus of effective U.S. **support?** It might be time to move beyond the worn-out question of whether U.S. policy supports Taiwan's independence or unification with China. Could there be a dialogue with Taiwan that develops a positive, cooperative agenda (much like the Senior Dialogue and Strategic Economic Dialogue that the United States has with China)?

Rather than supporting or not supporting the ruling and opposition parties and their proposals now and from 2008 on, U.S. policy might focus on support for:

(1) Taiwan's people, with faith in their democracy and sense to choose prosperity, peace, and stability, as well as concern for them as consumers;

(2) the local and U.S. business community, with possibly the first Cabinet-level visit to Taiwan under the Bush administration and mutual seriousness about negotiating beneficial economic ties and perhaps a free trade agreement with the U.S.'s ninth largest trading partner; and

(3) Taiwan's military, with strategic-level encouragement (beyond prodding arms purchases) to raise readiness, reform, modernize, and professionalize under difficult, politicized circumstances and uncertainties given changing leadership, a limited budget, and high turnover of conscripts. Contrary to the rhetoric in Taiwan about "reforms" that seek "civilian" control and a "nationalized," rather than KMT, military, Taiwan's military leaders need stable, depoliticized commands and resources to carry out their professional duties.

Whether it comes before the end of the current U.S. administration or the start of the next one, a reassessment of the U.S.-Taiwan relationship can be expected. All of Taiwan's political leaders might be more mindful that U.S. support, the sustained interest of U.S. civilian and defense businesses, and assistance for their self-defense and self-governance must not be taken for granted. Bush administration officials and Members of Congress expect Taiwan to be responsible for the consequences of its rhetoric and actions – or inaction.

Shirley Kan (skan@crs.loc.gov) is a specialist in security issues related to China and to Taiwan at the Congressional Research Service (CRS) in Washington, DC. These views are her own. The editors welcome additional remarks or comments.