



U.S.-China Relations: Dealing with the Taiwan Issue

by Joseph S. Nye

[Note: Dr. Nye is Chairman of the Pacific Forum CSIS Board of Governors and will be speaking at our annual Board dinner on Feb. 5 in Honolulu. A few tickets are still available; contact the Pacific Forum for details.]

Opinion polls indicate that one-third of Americans believe that China will “soon dominate the world,” while nearly half view China’s emergence as a “threat to world peace.” In turn, many Chinese fear that the U.S. will not accept their “peaceful rise.” Americans and Chinese must avoid such exaggerated fears. Maintaining good U.S.-China relations will be a key determinant of global stability in this century.

Perhaps the greatest threat to the bilateral relationship is the belief that conflict is inevitable. Throughout history, whenever a rising power creates fear among its neighbors and other great powers, that fear becomes a cause of conflict. In such circumstances, seemingly small events can trigger an unforeseen and disastrous chain reaction.

Today, the greatest prospect of a destabilizing incident lies in the Taiwan Strait.

The U.S. does not challenge China’s sovereignty over Taiwan, but it wants a peaceful settlement that will maintain Taiwan’s democratic institutions. In Taiwan, there is a growing sense of national identity, but a sharp division between pragmatists of the pan-blue alliance, who realize that geography will require a compromise with the Mainland, and the ruling pan-green alliance, which aspires in varying degrees to achieve independence.

Some observers fear that President Chen Shui-bian will seek a pretext to prevent defeat in March’s presidential elections. He is advocating a referendum on whether Taiwan should join the UN, which China views as provocative. Chen has replied that it is China “that is acting provocatively today.”

Washington is concerned. Secretary of State Condoleezza Rice told reporters that “we think that Taiwan’s referendum to apply to the UN under the name ‘Taiwan’ is a provocative policy. It unnecessarily raises tensions in the Taiwan Strait and it promises no real benefits for the people of Taiwan on the international stage.” She also reiterated the administration policy opposing unilateral threats by either side that change the status quo.

The same day, Secretary of Defense Robert Gates criticized China for curtailing U.S. naval visits to Hong Kong over arms sales to Taiwan. Gates said he told the Chinese that the sales were consistent with past policy and that “as long as they continued to build up their forces on their side of the Taiwan Strait, we would continue to give Taiwan the resources necessary to defend itself.”

Gates added, however, that despite China’s rising defense budget, “I don’t consider China an enemy, and I think there are opportunities for continued cooperation in a number of areas.”

In principle, cross-strait tensions need not lead to conflict. With increasing change in China and growing economic and social contacts across the Strait, it should be possible to find a formula that allows the Taiwanese to maintain their market economy and democratic system without a placard at the UN.

The U.S. has tried to allow for this evolution by stressing two themes: no independence for Taiwan and no use of force by China. But given the danger that could grow out of political competition in Taiwan or impatience in the People’s Liberation Army, the U.S. would be wise to encourage more active contacts and negotiations between the two sides.

The U.S. has a broad national interest in maintaining good relations with China, as well as a specific human rights interest in protecting Taiwan’s democracy. But the U.S. does not have a national interest in helping Taiwan become a sovereign country with a seat at the UN, and efforts by some Taiwanese to do so present the greatest danger of a miscalculation that could create enmity between the U.S. and China. Some Chinese already suspect the U.S. of seeking an independent Taiwan as an “unsinkable aircraft carrier” against a future Chinese enemy. They are wrong, but such suspicions can feed a climate of enmity.

If the U.S. treats China as an enemy, it will ensure future enmity. While we cannot be sure how China will evolve, it makes no sense to foreclose the prospect of a better future. Washington’s policy combines economic integration with a hedge against future uncertainty.

The U.S.-Japan security alliance means China cannot play a “Japan card.” But while such hedging is natural in world politics, modesty is important for both sides. If the overall climate is one of distrust, what looks like a hedge to one side can look like a threat to the other.

There is no need for the U.S. and China to go to war. Both must take care that an incident over Taiwan does not lead in that direction, and avoid letting exaggerated fears create a self-fulfilling prophecy.

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