

The New Détente in the Taiwan Strait and Its Impact on Taiwan's Security and Future

More Questions than Answers

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At first glance, the current detente between Beijing and Taipei has been a welcome development for all parties involved in the security of the Taiwan Strait: Taiwan, China, and the United States. However, this is an armed détente in which security issues have yet to be addressed. While accelerated economic integration is allowing China to exert increasing influence over Taiwan, the threat of the People's Liberation Army (PLA) has continued to intensify unabated. Taiwan's defence effort has been stagnating in spite of the recent US package announcement, and Taiwan's will to fight depends more and more directly upon the US commitment to Taiwan's security. This commitment has remained strong. But the PLA's rapid modernisation drive, coupled with China's growing influence over Taiwan, its politicians, its business people, and its society at large, have triggered a new debate in Washington about both the sustainability of the US security commitment, enshrined in the Taiwan Relations Act (TRA), and its very *raison d'être*. As a result, more questions remain unanswered.

Relations across the Taiwan Strait have undoubtedly improved since Ma Ying-jeou's election as president of the Republic of China (ROC) on Taiwan in March 2008. This improvement can to a large extent be credited to Ma himself as well as to his Kuomintang (KMT)-supported and led government.⁽¹⁾ High-level semi-official contacts and negotiations between Taipei and Beijing have resumed and intensified, a dozen important technical agreements and, more recently, an ambitious Cross-Strait Economic Cooperation Framework Agreement (ECFA), have been concluded, interactions between both societies have deepened, and Taiwan's international status has slightly improved. For their part, President Hu Jintao and the People's Republic of China (PRC) authorities have continued to give priority to the "peaceful development of cross-Strait relations," relegating unification to a more distant future. What I would be tempted to qualify as "a silent and creeping normalisation" of the relations between Beijing and Taipei is under construction. While taking the usual formal

precautions, Beijing and Taipei government agencies increasingly deal directly with each other. As a result, a genuine détente has taken shape in the Taiwan Strait today, much to the pleasure of the US (Taiwan's only international protector), the European Union, and the international community at large.

However, have this creeping normalisation and this détente been beneficial to the ROC-Taiwan's sovereignty, security, and long-term survival as a *de facto* nation-state? Can it help enhancing Taiwan's international space? Has the increasing interdependence between both sides of the Strait been cost-free for Taiwan?

More importantly, is Taiwan really more secure? Is the KMT government determined to keep a strong and costly defence? And if that is the case, can this defence effort remain credible in view of the People's Liberation Army

1. For a general analysis of Ma Ying-jeou's two years in power, cf. Frank Muyard, "Mid-Term Analysis of the Ma Ying-jeou Administration: The Difficulty of Delivering the (Right) Goods," in this issue of *China Perspectives*.

(PLA)'s unabated modernisation and increasing capability to project forces overseas?

Finally, how does the US actually see these developments? Does détente in the Strait and China's growing influence over Taiwan serve its interests? Can it really accept what some observers have qualified as Taiwan's inevitable "Finlandisation"? But, conversely, can it prevent Taiwan's "re-sinisation," if not "Hongkongisation"? Can it remain committed to Taiwan's security if the island continues to move closer and closer to the PRC?

China's growing influence over Taiwan

Since Ma's election, China has been able to exert growing influence over Taiwan, not only through a deepening economic interdependence but also through the multiplication of contacts between the governments, political elites, business people, and societies of both places, limiting Taiwan's room for manoeuvre and, in the longer term, continuation of its de facto independence.

Arguably, the increasing interdependence between both economies predates the KMT's return to power and to a certain extent has contributed to it. Nevertheless, since 2008 this economic integration has rapidly intensified, and the current KMT government sees in this trend the best way to overcome Taiwan's economic difficulties and integrate it into East Asia. It is forecasted that 10 years after the introduction of the ECFA (2020), Taiwan will become 62 percent export dependent on China (as opposed to 41 percent today).⁽²⁾ This will put China far above any other of Taiwan's trade partners, including Japan and the US.

Although there are no accurate estimates of the population of Taiwanese citizens residing more or less permanently in China (usually referred to as *Taishang* or Taiwanese business people), converging evidence attests to a substantial increase in their number since 2008: the *Taishang* now probably number close to 2 million, mainly concentrated in the greater Shanghai and southern Guangdong areas, but also moving inland with their factories as production costs increase in the coastal regions.⁽³⁾ The *Taishang* profile is more diverse than before, including a growing proportion of young graduates looking for entry jobs on the mainland as *Taigan* (Taiwanese cadres), professionals and Taiwanese students (*Taisheng*). Stimulated by the proliferation of direct flights across the Strait, this continuous migration has also been spurred by the sluggish economic environment on the island. Most existing studies on the *Taishang* show that they con-

tinue to identify with Taiwan or the ROC rather than with the PRC. Their identity is nonetheless clearly more moderate and accommodating (multiple identities, e.g., culturally Chinese, politically Taiwanese) than if they had stayed on the island.⁽⁴⁾

It is difficult also to evaluate the impact of the growing flow of Chinese tourists on Taiwan (more than 600,000 in 2009, probably 1 million in 2010). A variety of anecdotal evidence indicates their interest in Taiwanese TV programmes, e.g., political talk shows, lifestyle, and democracy, especially religious freedom. But the same reports have also mentioned a strong attraction to all the symbols of the old ROC: Chiang Kai-shek's memorial, CKS and Chiang Ching-kuo's tombs, and the Palace Museum (*Gugong*). True, they have recently been "instructed" by their government⁽⁵⁾ to mingle more in Taiwanese society, particularly in the centre and south of the island, known for its pro-independence sentiments or at least its more assertive Taiwanese identity that underscores a lack of PRC influence. However, this state-sponsored recommendation also heralds Beijing's willingness to use its tourists as agents of change in the Taiwanese mindset. In any case, it is safe to assume that while tourism will help PRC citizens better understand Taiwan, and in particular the very existence of the ROC (which in their textbooks disappeared altogether in 1949), it will be much harder to convince them that the Taiwanese identity is not a sub-branch of the broader Chinese identity and nation.

More concretely, tourism has become a substantial source of extra income for several sectors of the Taiwanese economy (hotels, restaurants, services, traditional products, etc.), strengthening Beijing's leverage. The provisional boycott imposed by Beijing and the PRC state-dependent tourist agencies on Kaohsiung as a destination in late 2009 after the DPP city mayor Chen Chu allowed the showing of a movie about Rebiya Kadeer and Xinjiang (and also led the DPP to invite the Dalai Lama to Taiwan in the aftermath of the Morakot typhoon destruction) have put the pro-independence forces under unprecedented pressure from the island's

2. Daniel H. Rosen and Zhi Wang, "Deepening China-Taiwan Relations through the Economic Cooperation Framework Agreement," *Policy Brief*, Peterson Institute for International Economics, no. PB10-16, June 2010; Daniel H. Rosen and Zhi Wang, *The Implications of China-Taiwan Economic Liberalization*, Washington, Peterson Institute for International Economics, forthcoming 2010.
3. Estimates about *Taishang* vary from 750,000 to 2 million. The latter figure is the usual estimate provided verbally by PRC Taiwan specialists.
4. Gunter Schubert, "The Political Thinking of the Mainland *Taishang*: Some Preliminary Observations from the Field," *Journal of Current Chinese Affairs*, no. 1/2010, pp. 73-110.
5. In particular by Jia Qingling, the vice-chairman of the Taiwan Affairs leading group and the president of the Chinese People Political Consultative Conference, in charge of the Communist Party's united front work, *Xinhua*, 20 June 2010.

tourism industry, compelling them to adopt a more moderate and realist approach.⁽⁶⁾

The DPP's evolving criticism of the ECFA also underlines this growing dependency; it is clear that the DPP was keen to take the side of Taiwan's weak industries that were in danger of being killed off or marginalized by this new opening of cross-strait trade relations. However, after Beijing paid special attention to addressing the economic concerns of the green electoral constituencies while negotiating the ECFA early harvest and more Taiwanese approve rather than oppose the accord, the DPP was forced to adjust its stance.⁽⁷⁾ Now it mainly underlines both the economic and political dangers of greater integration with the PRC, and concentrates more on the process of negotiation, especially its opacity, rather than the specific content of the accord.⁽⁸⁾ As a result, while the DPP reserves the right to review and scrap every cross-strait agreement signed by the KMT government that would go against "the interests of the Taiwanese," the DPP is likely to keep most of them intact if it returns to power. This increasing realism demonstrates *a posteriori* that none of the approved agreements, not even the ECFA, have directly jeopardised Taiwan's sovereignty. On the contrary, signed by the SEF and the ARATS and technical in nature, they have actually contributed to stabilising and consolidating the political status quo in the Strait. And nowhere do these accords refer to the contested KMT-revived "1992 consensus." Nevertheless, as in the case of all the contacts developed with the PRC since the early 1990s, all these agreements have been introduced and carried out in accordance with the 1992 "regulations on the relations between the people of both sides of the Strait," which defines the "Taiwan area" (*Taiwan diqu*) and the "mainland area" (*dalü diqu*) as parts of the ROC, a constitutional reality that the DPP has never been able to question, at least legally.

On the diplomatic front, Ma's government is still willing to move beyond the unwritten "diplomatic truce" and step by step, carefully and discreetly, reintegrate the ROC-Taiwan into the international community by acceding, as a first step, to more intergovernmental specialised organisations. Contrary to the Lee Teng-hui era, however, Taiwan's current pragmatic style of diplomacy and democracy promotion is clearly subordinate to cross-strait relations. For instance, Ma hesitated a great deal before allowing the Dalai Lama to visit Taiwan after the Morakot typhoon, and did not dare shake hands with him. In September 2009, Ma denied a visa to Rebiya Kadeer, the president of the World Uyghur Congress, a peaceful and law-abiding movement in favour of Xinjiang autonomy based in the US.

This is to say that the Ma government has put itself in a weak bargaining position with China. Politically, by promoting Taiwan's Chineseness, restoring the old ROC symbols, being unable or unwilling to come to terms with the legacy of Chiang Kai-shek's long dictatorship (such as his huge mausoleum), and voluntarily de-emphasising Taiwanese identity and specific history, Ma's KMT probably calculates that this new party ideology and image are conducive to better bridging the gap with the Chinese Communist Party (CCP). A mainlander surrounded by too many mainlanders, Ma has also given back to the pro-unification faction of the KMT (the so-called deep blue) a space unprecedented since Taiwan's democratisation. In so doing, Ma has abandoned a political card that all his predecessors have used and that he personally used a great deal during his presidential campaign: Taiwan's democracy and nation-building process. By privileging in its negotiations with Beijing a party-to-party channel of communication that is far from legitimate in the eyes of many Taiwanese, the KMT also weakens Taiwan's hand.

From an economic point of view, the KMT government has portrayed the ECFA as the key to solving all Taiwan's woes, ignoring the fact that Hu Jintao politically needed this agreement as much as Ma did. True, the ECFA will contribute to stimulating growth and generate, according to some studies, a 5.3 percent improvement of GDP by 2020 *if it is implemented along the lines of the ASEAN+China agreement.*⁽⁹⁾ But as a framework, the ECFA is a kind of half-empty shell that will be filled up very gradually and probably never completely; conversely, without the ECFA Taiwan managed to turn China into its top trade partner and FDI destination, while also deepening its integration in the East Asia economic region. Thus, it is hard not to conclude that for the KMT as well as for Beijing, the ECFA has also become a political accord, symbolising the reconciliation between both sides of the Strait but also drawing in sand the limits of this reconciliation. This is because the ECFA is not a genuine

6. Chen Chu visited China in May 2009. After being denied a visa by Taiwan in September 2009, Rebiya Kadeer obtained a visa for New Zealand and Japan. In July 2010, the Taiwanese government announced that Kadeer was banned from entering Taiwan for three years; the same month, her daughter, Raela Tosh, was allowed to attend a show of the same film in Taipei, but Omer Kanat, vice-president of the World Uyghur Congress and a Turkish national, was denied a visa, cf. *Taipei Times*, 19 July 2010.

7. Government surveys claim that over 60 percent of the Taiwanese support the ECFA; cf. www.mac.gov.tw. Independent polls point to much less clear support: at the end of July 2010, 47 percent of respondents supported the ECFA while 34 percent opposed it, cf. *Global Views Survey Research Centre*, 28 July 2010, www.gvm.com.tw/gvsrcleng/index.asp

8. Alan D. Romberg, "Ma at Mid-Term: Challenges for Cross-Strait Relations," *China Leadership Monitor*, no. 33, Summer 2010, pp. 3-4; interview with former DPP official Kao Ying-mau, Taipei, June 2010.

9. Italics added; cf. Rosen & Wang, *op. cit.*

free trade agreement: in addition to the protections that will be retained for Taiwan's agricultural sector, it is highly likely that many restrictions will be maintained on PRC investments in Taiwan for security reasons.⁽¹⁰⁾

The DPP is actually aware and supportive of these restrictions but remains discreet about them for electoral reasons. Moreover, partly to avoid being totally sidelined by the KMT-CCP dialogue, it has itself strengthened its informal and still mostly "second track" dialogue with Beijing. While this should be regarded as a positive step, since the Chinese government has quietly dropped its initial precondition – compelling the DPP to abide by the "one China" or the "1992 consensus" – this new channel of communication is part of a united front strategy aimed at winning over the light greens of the DPP and isolating the deep-green or pro-de jure independence elements of Taiwan opposition,⁽¹¹⁾ a strategy that shows some similarities to the one Beijing successfully deployed in Hong Kong in the spring of 2010.⁽¹²⁾

In any case, the realists and moderates in the DPP have clearly taken the lead. More cautious towards China than the KMT, they have not been able to put together a clear alternative strategy to economic integration with the mainland, given the acknowledged limits of diversification towards Southeast Asia as well as the party's increasing financial reliance on Taiwanese companies with interests in the PRC. The DPP has therefore also been affected by China's growing influence over Taiwan.

All in all, Beijing's strategy has been very successful by granting small concessions to Taiwan; in terms of the unwritten "diplomatic truce", accepting an apparently generous ECFA "early harvest," and avoiding antagonising the bulk of the Taiwanese society while actually not moving a millimetre on the key issues of the ROC's sovereignty and statehood as well as its lack of security guarantees. As will next be shown, since Ma's election the PLA military threat has increased rather than decreased.

A highly militarised détente

Since 2008, cross-strait détente has remained highly militarised. The threat of the People's Liberation Army (PLA) has continued to intensify unabated; Taiwan's defence effort has been stagnating in spite of the January 2010 US weapon package announcement and a few new initiatives; and Taiwan's will to fight depends more and more on the US commitment to Taiwan's security.

For most experts, the military balance in the Taiwan Strait tilted toward China around 2005. Since 2008, the number

of conventional missiles pointed at Taiwan has continued to increase (by over 100 a year to around 1,200-1,500 in 2010), and the PLA Navy and Air Force's ability to project forces away from China's shores, control the Taiwan Strait, and impose a blockade over the island, if not yet successfully launch a landing operation, has become much more credible, forcing the US to review its own counter-strategy (more on this later).⁽¹³⁾ The PLA has also beefed up its coastal air defence, especially in Fujian, and can now directly threaten the Taiwanese fighters entering airspace in the northern Taiwan Strait (150 DH-10 LACM and S-300PMU2 long-range—200km—surface-to-air missiles).⁽¹⁴⁾

As a consequence, since the middle of the 2000s, Taiwan has been compelled to put together a military and asymmetric strategy aimed at deterring any unprovoked PLA attack. To be credible, Taiwan's military must ensure that the cost of such an attack is prohibitive or very high for the PLA and, as a result, force Beijing to think twice before contemplating any "non-peaceful" option to "solving the Taiwan issue."

Enshrined in the Taiwan Relations Act (TRA), the US commitment to Taiwan security has remained very strong; the daily cooperation between the Pentagon and the Taiwanese armed forces is today much closer and better than before the 1996 missile crisis. Ma's electoral promises to build a "hard ROC," to increase the defence budget to 3 percent of GDP, and to move towards an all-volunteer military were well received in Washington. This came after nearly a decade of decrease in military expenditures—by

10. Today PRC investments in Taiwan are estimated at US\$100 million only.
11. On 1-2 June 2010, the author attended a conference organized in Hong Kong by the Chuhai Institute, which gathered a large number of mainland Chinese and Taiwanese experts and retired officials, including three former leaders of the DPP (Parris Chang, Hsu Hsin-liang, and Lin Cho-shui). Since 2009, many similar meetings have taken place in China and in Taiwan. Cf. also Parris Chang's report on the June 2010 meeting, *Taipei Times*, 15 June 2010, p. 8. However, formal CCP-DPP talks apparently still cannot take place if the latter does not endorse the "one China principle" or at least the "1992 consensus." Cf. *China Post*, 4 May 2010.
12. In June 2010, Hong Kong's Democratic Party accepted a compromise with Beijing regarding five additional functional constituency seats representing district councils in the Legislative Council. In 2012, these seats will be directly elected by the 3.2 million electors who do not have a vote in the existing functional constituencies. The other groupings of the democratic camp opposed this deal.
13. David A. Shlapak, David T. Orletsky, Toy I. Reid, Murray Scot Tanner, and Barry Wilson, *A Question of Balance: Political Context and Military Aspects of the China-Taiwan Dispute*, Washington DC, Rand, 2009. The Taiwanese military tends to include in its calculations both short-range and mid-range missiles and expects their number to reach nearly 2,000 (1,960) before the end of 2010, cf. *Taipei Times*, 19 July 2010. The US only refers to the former, evaluated to 1050-1150 CSS-6 (600 km) and CSS-7 (300 km) at the end of 2009. The PLA mid-range missiles (as some of the CSS-5 and the DH-10) also target Japan and US bases and ships in Asia; cf. Annual Report to Congress, *Military and Security Developments Involving the People's Republic of China 2010*, Washington DC, Office of the Secretary of Defense, August 2010, pp. 2, 38 and 66.
14. *China Brief*, vol. X, no. 7, 1 April 2010, pp. 1-2.

around 40 percent between 1999 and 2008—and political bickering in Parliament about the relevance and financing of the unprecedented arms package granted by George W. Bush in 2001 (including, for the first time, diesel submarines, which the US has, however, been unable to manufacture).

After entering office, Ma privileged a purely defensive strategy. Formulated in March 2009 in the Taiwan Defence Ministry's first Quadrennial Defence Review (QDR), this strategy restored the pre-2000 order of priorities: "resolute defence and effective deterrence" (*fangwei gushou, youxiao hezu*), as opposed to the "effective deterrence and resolute defence" and "active defence" strategies put forward under Chen Shui-bian. Strongly supported by Su Chi, General Secretary of the National Security Council from May 2008 to February 2010, this defensive strategy has been heavily influenced by a report that US expert William Murray had made public a year earlier. Murray recommended that Taiwan adopt a "porcupine" strategy "emphasising the asymmetrical advantage of the defender, seeking to deny the People's Republic its strategic objectives rather than attempting to destroy its weapon systems." Taiwan should, Murray recommended, dig in and rely on passive defence by ground forces, harden or move underground its military facilities, improve its communication and control systems, and strengthen its anti-access capabilities.⁽¹⁵⁾ In his view, the Air Force and the Navy still play a critical deterrent role in Taiwan's self-defence, but Taiwan should stop trying to maintain naval and air parity, let alone an unachievable superiority in the Strait. However, for many reasons, including resistance in the Taiwanese military, both the QDR and the National Defence Report (NDR) published in October 2009 have kept an offensive capability and have continued to develop conventional weapons, such as Hsiung Feng-2E cruise missiles (800 km) capable of striking and neutralising targets on the other side of the Strait. In other words, Chen's "active defence" has not been completely shelved; only the ambitious and unrealistic objectives of moving the "decisive battle outside of the territory" (*jingwai juezhan*) and developing offensive weapons as long-range missiles (over 1,000 km) targeting non-military objectives have been clearly abandoned.⁽¹⁶⁾ In addition, the Ma government has continued to invest heavily in the Navy and the Air Force. Since 2009, it has developed a high-tech missile fast corvette, dubbed "carrier killer," equipped with powerful anti-ship Hsiung-feng III cruise missiles, and more capable of putting at risk the PLA surface ships in the Strait.⁽¹⁷⁾ There are also indications that it has restarted a programme to build indigenously designed

diesel submarines aborted in 2004,⁽¹⁸⁾ and the Taiwanese government has reiterated its intention to buy an additional 66 F-16 C/D in order to keep up an Air Force fleet, the capabilities of which have been repeatedly called into question. In February 2010, a DIA assessment indicated that although Taiwan had 400 combat aircrafts in service, "far fewer of these (were) operationally capable."⁽¹⁹⁾

It cannot be denied that Ma has taken Taiwan's defence seriously and that on this issue, there is much more bipartisanship than often appears, since the defence of the ROC equates with guaranteeing the security and the survival of Taiwan as a sovereign entity. Nevertheless, before the DIA report was known, multiple and converging information underlining the growing weaknesses of the Taiwanese military had already been published. There is in particular a growing gap between the strategic objectives set in the QDR or the NDR and the actual capabilities of the armed forces. For instance, Taiwanese Navy "offensive sea control" is less and less tenable in view of the PLA's growing capability to project forces as well as its new military strategy aimed at denying Taiwan use of its air force and navy.⁽²⁰⁾

More generally, Taiwan's defence budget has continued to stagnate under US\$10 billion. In 2009 and 2010, it decreased year-on-year (US\$9.3 billion and US\$9.6 billion respectively against US\$10.5 billion in 2008) and remained far below Ma's electoral promise (2.5 percent of GDP in 2009 against 3 percent), and of course the PLA official budget of US\$78 billion and actual expenditures (1.5 to 2 times higher).⁽²¹⁾ The global financial crisis has been mentioned as a reason. However, there are not yet any clear indications of a radical change of trend in the coming years (failing conclusion of the F-16 deal that would require the establishment of a new "special budget").

Finally, there have been increasing doubts about the Taiwanese's will to fight, and the KMT's strong tendency since 2008 to regard mainland Chinese as "brothers" (*xiongdì*) rather than "enemies" (*diren*) has fed these doubts, especially in the US. Obviously, the PRC is both an economic partner and a military threat—what I would qualify as "Tai-

15. William S. Murray, "Revisiting Taiwan's Defense Strategy," *Naval War College Review*, Summer 2008.

16. York W. Chen, "The Evolution of Taiwan's Military Strategy: Convergence and Dissonance," *China Brief*, vol. IX, no. 23, 19 November 2009, pp. 8-12.

17. *Straits Times*, 12 April 2010.

18. *China Brief*, vol. IX, no. 8, 16 April 2009, pp. 1-2.

19. *Defense News*, 22 February 2010.

20. Murray, *op. cit.*, pp. 14-15; James R. Holmes and Toshi Yoshihara, "Taiwan's Navy: Still in Command of the Sea?," *China Brief*, vol. X, no. 6, 18 March 2010, pp. 9-11.

21. *Defense News*, 14 January 2010.

Taiwanese soldiers raid a beach during the annual Han Kuang exercise in southern Pingtung on 29 April 2010. More than 6,500 personnel participated in Taiwan's biggest military exercise in more than a year, aimed at testing defence capabilities against its giant neighbour, military officials said. © AFP



wan's strategic paradox"—and its growing influence over Taiwan makes many ROC citizens schizophrenic. But it is striking that between December 2007 and April 2010, the Taiwanese perception of "Beijing's hostility towards the ROC people" has decreased from 51 percent to 41 percent, and perception of hostility "towards the ROC government" has decreased from 67 percent to 43 percent.⁽²²⁾

Arguably, a professional military is better trained to use the sophisticated armaments that it has received and is more ready to fight in case of war. But the bond with the nation is vital. For this reason, while accelerating the transition towards an all-volunteer force that should be completed by 2014, Taiwan's Defence Ministry has decided to keep a four-month basic training requirement for any male citizen reaching 18 years of age. However, can an economy that is more interdependent with and a society that is culturally closer to mainland China than, say, France is to Germany provide the material and moral support necessary for its soldiers to defend Taiwan's sovereignty and de facto independence? At this stage, it is impossible to fully answer this question. Studies have shown that US support and involvement would be a decisive factor, which is not surprising.⁽²³⁾ In such a rapidly changing context, the remarks made by Ma Ying-jeou on CNN in May 2010—"We will continue to reduce the risks so that we will purchase arms from the United States, but *we will never ask the Americans to fight for Taiwan*"—look highly misplaced.⁽²⁴⁾ Understood by his KMT supporters as a proof of Taiwan's determination to defend itself, Ma's comment actually underscores a troubling deficit of communication with the US (which has remained purposely ambiguous about its involvement in an armed conflict in the Strait), as well as an unrealistic assessment of the Taiwanese military's capabilities.⁽²⁵⁾ It also confirms indirectly that Taiwan's political elites, and in particular the current KMT government, are far from aware of the responsibilities they must shoulder in order to keep the bond between the military and the nation strong and healthy, and to reconcile the two branches of Taiwan's strategic paradox through a much more articulated, give-and-take, and generally more cautious mainland policy.

An underdeveloped security dialogue

As the current armed détente demonstrates, security constitutes a particularly important set of issues that have not yet been genuinely addressed by Beijing and Taipei. Although China had shown as early as 2004 an intention to include

the establishment of confidence-building measures (CBMs) in cross-Strait political talks, it was only in December 2008 that this plan was re-launched. Then, while still giving priority to economic and easier items of negotiation, Hu Jintao put forward "six propositions for peaceful development across the Taiwan Strait." He stated in particular: "To help stabilise the situation in the Taiwan Strait and alleviate concerns about military security, the two sides can have contacts and exchanges on military issues at an appropriate time and discuss the issue of establishing a military security mechanism based on mutual trust."⁽²⁶⁾

To be sure, the introduction of non-military CBMs, both unilateral and bilateral, can be traced back to the opening of a non-official channel of communication between Taipei and Beijing (the SEF and the ARATS). For instance, in 1997, Taipei's China Rescue Association and Beijing's China Marine Rescue Centre agreed to set up a hotline to facilitate marine rescue work in the Strait. Some military CBMs have been also been adopted, such as Lee Teng-hui's 1991 declaration to put an end to the Chinese civil war. However, the latter have so far been only unilateral decisions.⁽²⁷⁾

The other limitation is that CBMs are aimed at improving military-to-military relations in order to reduce fears of attack and the potential for military miscalculation. They are not designed to have an impact on the military balance *per se*. It would be wrong to assume that CBMs are meaningless and that nothing has been done to address this issue since 2008 (or even before). Some informal and, more importantly, secret talks have taken place. Simultaneously, non-official contacts and discussions involving academics and ex-

22. Mainland Affairs Council website, <http://www.mac.gov.tw/public/Attachment/05211053210.gif> (consulted on 7 July 2010).
23. Shelley Rigger, "When the Going Gets Tough: Measuring Taiwan's Will to Fight," American Political Science Association conference, Chicago, 2 September 2004. Jean-Pierre Cabestan and Tanguy Le Pesant, *L'esprit de défense de Taiwan face à la Chine. La jeunesse taiwanaise face à la tentation de la Chine* (Taiwan's will to fight China: Taiwanese youth and China's temptation), Paris, L'Harmattan, 2009.
24. <http://edition.cnn.com/2010/WORLD/asiapcf/04/30/taiwan.china.us/index.html>.
25. *China Post*, 5 May 2010.
26. *Xinhua*, 31 December 2008. Hu Jintao's "six propositions" included: 1) end of hostility and peace agreement under the "one China principle"; 2) strengthening commercial ties, including negotiating a comprehensive economic cooperation agreement; 3) increasing communication and exchanges; 4) pushing forward cultural and educational exchanges; 5) discussing "proper and reasonable arrangements" for Taiwan's participation in international organisations; and 6) stepping up contacts and exchanges on military issues and talk about CBMs.
27. Bonnie S. Glaser, *Building Trust Across the Taiwan Strait: A Role for Military Confidence-building Measures*, CSIS, Washington DC, January 2010.

perts on political and security issues have also rapidly increased in the last two years. For example, in May 2009, a golf tournament between retired mainland and Taiwan military officers took place in Xiamen, suggesting that Beijing wanted to give some substance to Track II discussions.⁽²⁸⁾ More recently, after stepping down in February 2010, Su Chi revealed that secret communication channels have since 2008 helped both sides build trust, especially in sensitive areas, presumably including defence and security in the Strait.⁽²⁹⁾ Channels of communication already exist, for instance between the coast guard forces of both sides, to avoid and manage incidents in the Strait. In October 2008, for the first time ever, the Xiamen Marine Rescue Centre and Sea Patrol Bureau and the Quemoy Harbour Affairs Department were involved in a search and rescue exercise aimed at improving their ability to jointly respond to a maritime emergency.⁽³⁰⁾ Other sources in Taipei have confirmed that the Taiwanese military and the PLA can indirectly communicate (e.g., through the G-channel (open channel)) to avoid each other and the Strait's middle line.⁽³¹⁾ Moreover, it is true that, when necessary and in times of crisis in particular, both sides have been able to hold high-level secret contacts.⁽³²⁾ In other words, communication and incident management are less of a problem than many observers have suspected.

The concentration of military forces around the Taiwan Strait has continued, however, and no genuine bilateral military CBM negotiations have taken off. The obstacles to such negotiations are many.

The first difficulty is that Taipei and Beijing are not pursuing identical objectives: for Taipei, the priority is "preventing conflicts and lowering the probability of accidental provocation of war," in other words, reducing the risk of an accident that could escalate out of control. Proposed joint steps include the establishment of a "hot line" between both militaries as well as the adoption of a code of conduct, rules of engagement, and restrictive measures such as force reductions in the Taiwan Strait.⁽³³⁾ For Beijing, the primary purpose of military CBMs is building mutual trust through the promotion of the shared culture and heritage of both militaries. While both sides link CBM talks to the adoption of a peace treaty or an end-of-hostility agreement, Taipei hopes that CBMs can consolidate the status quo, and Beijing expects that it can serve unification, however indirectly.

The second obstacle is the current level of PLA threat and Taiwan's attempt to alleviate this threat through CBMs. For Ma Ying-jeou, the withdrawal of the missiles is a precondition to any "political talks," including CBMs. For instance,

he declared in July 2009: "People feel uneasy if we go to the negotiating table on security issues while still under the threat of missile attack."⁽³⁴⁾ In addition, since late 2009, the growing mobilisation of the DPP against the ECFA and the KMT's excessively accommodating policy towards China have forced Ma to keep these conditions in place even if informal CBM talks are likely to start earlier. The "six national visions" (*liuguolun*) that he presented in his mid-term speech have confirmed this caution.⁽³⁵⁾ But for Beijing, adjustments in military deployment can only be a subject of the talks, must be reciprocal and based on improved trust, and must be bargained against meaningful concessions, such as a formal renunciation of de jure independence by Taiwan.

The third obstacle is determining whether these negotiations are linked to unification or even to the "1992 consensus." When Ma feels that he can open CBM talks, can he really accept linking CMB talks, let alone peace agreement negotiations, to the future unification of the Chinese nation (*Zhonghua minzu*)?⁽³⁶⁾ Obviously welcome by China and convergent with Hu Jintao's policy, this linkage remains unacceptable not only to the pan-green camp but probably also to the majority of Taiwanese public opinion. Opinion polls continue to show how much the Taiwanese wish to remain open-ended regarding the future of their island: 64 percent support either the status quo in the Strait indefinitely (25 percent) or the option "status quo now and decision later" (39 percent).⁽³⁷⁾

There are also methodological and politico-technical obstacles. As far as CBM negotiations are concerned, the Taiwanese government and military are still on a learning curve. Since early 2008, much advice has been given to them by outside and particularly American specialists.⁽³⁸⁾ However, it

28. *Xinhua*, quoted by David C. Brown, "China-Taiwan Relations: Moving Relations towards a New Level," *Comparative Connections*, July 2009.

29. *China Post*, 17 May 2010.

30. *People's Daily*, 24 October 2009, quoted by Glaser, *Building Trust*, *op. cit.*, pp. 22-23.

31. Interview, Taipei, June 2010.

32. Nancy Bernkopf Tucker, *Strait Talk: United States-Taiwan Relations and the Crisis with China*, Harvard University Press, Cambridge, Mass., 2009.

33. *2009 National Defense Report 2009: Building an Elite Armed Forces*, Taipei, Ministry of National Defense, ROC, Ch. 8, pp. 198-200.

34. *Bloomberg*, 31 July 2009.

35. *Xinhua*, 5 May 2010; <http://roc-taiwan.org/ct.asp?xitem=144755&ctNode=2237&mp=2>; *China Post*, 20 May 2010.

36. The Chinese nationalist language chosen by Ma at his press conference triggered a strong reaction among the anti-unification opposition: *Taiwan News*, 20 May 2010.

37. April 2010, <http://www.mac.gov.tw/public/Attachment/05211052927.gif> (consulted on 7 July 2010).

38. Bonnie Glaser and Brad Grosserman, *Promoting Confidence Building across the Taiwan Strait: A Report to the CSIS International Security Program and to Pacific Forum CSIS*, Washington DC, CSIS, September 2008.

remains unclear which body of the government—the SEF or, if not, who?—would negotiate these CBMs. If Su Chi is to be believed, some kind of minimal CBMs may have already been discussed through secret channels, presumably to avoid and better manage incidents in the Strait. But these channels are not sustainable if genuine military CBMs and substantial arms reductions are to be negotiated. In the current circumstances, the most likely format of CBM talks would be to attach “military advisers” of both sides to the SEF and the ARATS. Opening military-to-military discussions between two states that do not recognise each other would not be impossible in view of the track record of SEF-ARATS talks, but there are obvious limits to such negotiations.

This difficulty brings us to the final obstacle or question mark: should these CBM negotiations remain bilateral, or should they also involve the United States? China has acknowledged that any alleviation of the military tension in the Taiwan Strait is closely linked to US arms sales to Taiwan. Although Hu Jintao has not yet officially reiterated his predecessor Jiang Zemin's October 2002 proposal to decrease the number of missiles deployed against Taiwan in exchange for an end to US arms sales to Taiwan, this potential bargaining stance remains very much in the mind of the Chinese leadership.⁽³⁹⁾ For Ma and the US (see below), this remains a non-starter. At the same time, neither Beijing nor Taipei seems to welcome direct participation by Washington in any CBMs in the Taiwan Strait. It would put Beijing in a weaker position and risk expanding and complicating the issues that need to be discussed. The risk for Taipei would be of adding factors of contention in the talks and of being sidelined in a deal between the two great powers above Taiwan's head. What Ma would like is to receive strong US support to initiate such talks in order to rein in DPP's concerns. It can be assumed, however, that Washington would like to be more closely consulted on these talks as well as on the overall rapprochement between Taipei and Beijing. For all these reasons, military CBM negotiations are unlikely to start before 2012.

In any case, CBMs cannot fully address Taiwan's growing insecurity. At a time that would suit its interests, for instance to facilitate Ma's re-election in 2012, the PRC may contemplate a partial relocation or even dismantlement of its (oldest) missiles targeted against the island. This would nevertheless be much more a political and symbolic gesture than a strategic decision, given that the conventional missiles aimed at Taiwan constitute just a small portion, and arguably a decreasing part, of the PLA forces that can be projected against the island today and in the coming years.⁽⁴⁰⁾ Thus,

even if a partial demilitarisation of the Taiwan Strait is possible, the military balance will continue to be less and less favourable to Taiwan, forcing the island to invest more in its defence, rely more on the US, and consequently take into greater consideration the perceived long-term interests of the US in the region.

What impact have these cross-Strait trends and this lack of progress on security issues had on the United States?

The US debate... or lack of debate

The US government has been generally satisfied with its relations with Taiwan since the Kuomintang (KMT)'s return to power. Ma's election has put an end to the need of for an awkward and time-consuming US-China “co-management” of Chen Shui-bian's micro-moves towards *de jure* independence, allowing the Obama administration to concentrate on more urgent and important issues. At the same time, the trends indicated above—the widening military imbalance in the Taiwan Strait coupled with the KMT government's utmost priority given to improving its relations with Beijing and China's growing influence over Taiwan, its politicians, its business people, and its society at large—have triggered a new debate in Washington about both the sustainability of long-term US security commitment toward Taiwan and its very *raison d'être*.

This debate has remained subdued and has apparently not yet percolated to the higher strata of the US government, as if the Obama Administration, too busy on other fronts, was still relishing the relief of having moved the “Taiwan issue” to the back-burner. Nevertheless, Beijing's more assertive foreign policy—a translation of the Chinese authorities' own perception of their country's rise and the corresponding decline of other powers, especially the US⁽⁴¹⁾—and growing pressure on Washington have forced the latter, probably earlier than expected, to devote more attention to cross-Strait relations and reassert its traditional policies towards Taiwan. On the occasion of Obama's first visit to Beijing in

39. After her visit to China in May 2010, the US Senate Intelligence Committee Chairwoman Dianne Feinstein said China had offered to reposition its military forces opposite Taiwan to ease cross-Strait tensions. She added, however, “In my meeting with some of the leadership, it was mentioned that China had offered to redeploy back. Now I understand the word ‘redeploy’ isn't ‘remove.’ And I understand the nature of what's there and the number of troops.” *Reuters*, 16 June 2010. Her comments were strongly criticised (see below).

40. Yitzhak Shichor, *Missiles Myths: China's Threat to Taiwan in a Comparative Perspective*, Taipei, CAPS Papers, no. 45, August 2008; Shlapak *et al.*, *A Question of Balance*, *op. cit.*

41. Michael D. Swaine, “Perceptions of an Assertive China”, *China Leadership Monitor*, no. 32, Spring 2010.

November 2009, Hu Jintao requested that the US recognise Taiwan as part of China's "core interests." And after the American government in January 2010 announced a long-planned US\$6.4 billion weapon package to Taiwan, the Chinese authorities not only protested more fiercely than usual but also, for the first time, threatened to punish US companies involved in the deal (including Boeing). In addition, since then, Beijing has renewed its insistence that Washington abides by the 1982 third US-China communiqué on the gradual decrease of American arms sales to Taiwan, an agreement that has been de facto put on shelf by the every US administration since the 1996 missile crisis and the intensification of the PLA pressure on Taiwan.⁽⁴²⁾

As a consequence, the Obama administration was forced to reaffirm long-standing US policies, asking China to understand US arms sales to Taiwan, take into account the island's security concerns, and decrease or at least freeze its missile deployment vis-à-vis the island. Washington has also reasserted its support for CBM and security talks between Beijing and Taipei in general. However, China's new strategic ambitions and desire to "change the game"—the PLA's rapid modernisation, its January 2010 ABM (anti-ballistic missile) test, its suspected intensifying of cyberspace attacks, its new cruise missile capacity against US carriers, its growing naval presence in the South and East China Sea as well as beyond the "first island chain" in particular Okinawa, and Beijing's willingness to turn its Exclusive Economic Zone (200 miles) into a *Mare Nostrum* where other navies would need to obtain Beijing's authorisation before attempting any "innocent passage" through it—can only affect US long-term commitment to Taiwan security (and of course the overall US relationship with China).⁽⁴³⁾

In the short term, this renewed Sino-US tension or lack of military-to-military cooperation is not necessary bad news for Taiwan, since it contributes to consolidating America's support of its security. However, the irony is that the KMT administration seems increasingly disinclined to view Taiwan's strategic interests through such a lens, and is increasingly uncomfortable with the unbridgeable gap between its main economic partner and its unique protector. This changing mindset regarding the deteriorating military balance in the Strait and rapprochement between the KMT and the CCP have spurred a new debate that may compel the US to reassess its longer-term strategic and political objectives. Can the US afford to continue supporting Taiwan? But, conversely, can the US abandon Taiwan? Is that what the KMT government wants?

First, Taiwan's security is more and more dependent on the US. As Admiral Dennis Blair, then President Barack

Obama's National Intelligence Director, bluntly indicated to the US Senate in February 2009:

"(China) poses a greater threat to Taiwan. ... Unless Taiwan does something about it, then we're really the only other country helping them do it.

That means that we're going to have to help them some more in order to maintain a balance. ... Taiwan should not be so defenceless that it feels it has to do everything that China says. On the other hand, China cannot be so overwhelming that it can bully Taiwan."⁽⁴⁴⁾

Maintaining a military balance in the Strait is not out of reach for the US, especially if it accelerates its move towards an "asymmetrical strategy."⁽⁴⁵⁾ At the same time, however, the cost of any potential war with another nuclear power is continuously augmenting, and may rapidly become unbearable, for protecting an island with questionable strategic value for the US and which, in any case, is not part of America's vital interests.

Second, beyond the ECFA, China's growing influence over Taiwan bears a number of strategic implications for the US. In the words of Robert Sutter, professor at Georgetown University and a long-time American analyst of Asia, "The longstanding notion of US-supported balance in the Taiwan Strait was no longer viable in the face of ever-increasing Chinese influence over Taiwan."⁽⁴⁶⁾ This changing relationship raises many questions: "What the US policy should be if Taiwan should continue to move closer to or even align with the PRC?"⁽⁴⁷⁾ Are the American (or French) weapons delivered to Taiwan and US-Taiwan military cooperation secure from Chinese espionage?⁽⁴⁸⁾ In case of war, is Taiwan determined to defend itself and fight? Wouldn't Taipei pre-

42. As is well known, the implementation by the US of the 3rd US-China communiqué is subject to the decrease of military tension in the Taiwan Strait. It should be added that owing to the growing military imbalance in the Strait, any implementation of this communiqué by the US seems increasingly unlikely.

43. David M. Lampton, "Power Constrained: Source of Mutual Strategic Suspicion in U.S.-China Relations," *NBR Analysis*, June 2010, The National Bureau of Asian Research, pp. 16-17. Robert S. Ross, "China's Naval Nationalism: Sources, Prospects, and the U.S. Response," *International Security*, vol. 34, no. 2, Fall 2009, pp. 46-81.

44. *South China Morning Post (SCMP)*, 14 February 2009. Emphasis added by the author.

45. Robert D. Kaplan, "The Geography of Chinese Power: How Far Can Beijing Reach on Land and at Sea?," *Foreign Affairs*, May/June 2010, pp. 22-41.

46. Robert Sutter, Robert, "Cross-Strait Moderation and the United States – Policy Adjustments Needed", *PacNet*, 17, 5 March, 2009.

47. Question asked in the Summary of Congressional Research Service's Kerry Dumbaugh, "Taiwan-U.S. Relations: Development and Policy Implications," CRS Report to Congress, Washington DC, 2 April 2009.

48. *Ibid*, p. 22; *Taipei Times*, 7 January 2009.

fer to negotiate an unfavourable deal with Beijing? Wouldn't appeasement inevitably lead to capitulation?

Some observers estimate that these trends are unstoppable and should be seen in a positive way. For instance, Bruce Gilley thinks that Taiwan's "Finlandisation" could become the basis for a long-term agreement between Beijing, Taipei, and Washington concerning Taiwan's status.⁽⁴⁹⁾ Others, such as Robert Kaplan, have rung the "alarm bell", estimating that Taiwan's strategic and political importance is becoming increasingly "pivotal" as if Taiwan were the touchstone between authoritarianism and democracy, Chinese world order and Western world order, *Pax Sinica* and *Pax Americana*.⁽⁵⁰⁾ However, both Gilley and Kaplan underscore the value of Taiwan in eventually democratising China and thereby making this country more amicable to US interests. For another group of Americans, Taiwan's strategic value for the US has been overblown, and its absorption by China would not "significantly weaken the US strategic position in Asia."⁽⁵¹⁾ To be sure, the US has always been quite "agnostic" about Taiwan's long-term future: If the island chooses unification, as long as it is an accepted and not a constrained choice, the US has no reason or interest to oppose it.⁽⁵²⁾ This is unlike Japan which for geo-strategic reasons, especially Taiwan's proximity to the Ryukyu archipelago, would prefer a perpetuation of the division of China into two states, and as a result tends to sympathise with Taiwan's independence. Taiwan is neither a "strategic asset" nor, at least "most of the time", a "strategic liability."⁽⁵³⁾ However, some go further and posit that Taiwan has become a "potential distraction from much bigger issues" that "we (the US) can no longer afford to support."⁽⁵⁴⁾ Some politicians, such as Senator Dianne Feinstein (Democrat), have entered the fray, calling Obama's recent arms sales to Taiwan "a mistake" and more generally criticising the US role in the current "arms race" across the Taiwan Strait.⁽⁵⁵⁾ In other words, the US military is overstretched and can no longer meet all its security commitments; the American government should give priority to "demilitarisation" of the Strait and big power (G2?) cooperation with China.

Since Kissinger's deal with Zhou Enlai in 1971, there has always been a temptation in the US to sacrifice "little Taiwan" on the altar of the great powers' game and perceived common interests. China's restored clout as well as the growing economic and financial Sino-American interdependence have contributed to changing the equation and increasing the influence of the US business lobby on the US's China policy. At the same time, however, in spite of conflicting perceptions, the US has remained much more powerful than

China,⁽⁵⁶⁾ and strong forces in the US, among both military strategists and pro-democracy activists (both liberal and neo-cons) will probably continue to balance and partly neutralise these more accommodating trends.

It is true that calls by Sutter and other for some important "policy adjustments" have not yet been translated into policy decisions. One reason is that a number of American experts, including Richard Bush and Alan Romberg, think that Sutter's concern should be put into perspective, emphasising the advantage to Taiwan (and the US) in reassuring China and convincing both sides to open security talks.⁽⁵⁷⁾ Echoing this view, Admiral Blair indicated in February 2009: "Taiwan has to realize that its long-term security lies in some sort of an arrangement with China. It does not lie in military defence."⁽⁵⁸⁾

In the foreseeable future, however, the rapidly changing cross-Strait relationship is unlikely to weaken US support for Taiwan security. In spite of Ma Ying-jeou's rapprochement with China and what some regard as his pacifist or appeasement tendencies, the 31-year-old TRA is still perceived as crucial by both Washington and Taipei. Although for diplomatic reasons, the Obama administration is going to play it safe and may, for example, postpone its F-16 C/D arms sales to Taiwan until 2011, the US commitment to Taiwan's security will probably remain unchanged as long as the Taiwanese need it.⁽⁵⁹⁾ Conversely, while privileging the peaceful development of cross-Strait relations, China has in no way abandoned its unification objective or its "one country, two systems" proposition.⁽⁶⁰⁾

49. Bruce Gilley, "Not So Dire Straits: How the Finlandization of Taiwan Benefits U.S. Security," *Foreign Affairs*, January/February 2010. Both the KMT and the DPP have strongly criticised this view.

50. Kaplan, *op. cit.*

51. Bernard Cole, from the National War College, quoted by the *Taipei Times*, 4 July 2010.

52. Nancy Bernkopf Tucker, "If Taiwan Chooses Unification, Should the United States Care?," *The Washington Quarterly*, vol. 25, no. 3, Summer 2002, pp. 3-18.

53. Douglas Paal, former director of the American Institute in Taiwan, Carnegie Endowment for International Peace, 26 June 2008, www.carnegieendowment.org/files/0626_carnegie-asia.pdf.

54. David Rothkopf, "Can the U.S. afford to continue supporting Taiwan?," http://rothkopf.foreignpolicy.com/posts/2010/02/01/can_the_us_afford_to_continue_supporting_taiwan. The author is a former senior official of the Clinton administration and leading democratic thinker.

55. *Wall Street Journal*, 6 June 2010; *Taipei Times*, 4 July 2010.

56. Lampton, *op. cit.*, pp. 11-15.

57. Richard Bush and Alan D. Romberg, "Cross-Strait Moderation and the United States," *PacNet*, 17A, 13 March 2009.

58. *SCMP*, 14 February 2009.

59. However, experts think that the F-16 deal is "way past due" because the production line will be stopped in May 2013 absent any new order in the next six months. The normal delivery delay after an order is 36 months. *Reuters*, 6 July 2010. The US is unlikely to sell F-35s to Taiwan.

In other words, none of the three actors involved in this equation contemplate “Finlandisation” or a kind of “stabilised neutralisation of Taiwan” (and the “Taiwan issue”) as a viable option. The US strategic responsibilities in the Asia-Pacific region, its need to keep its credibility vis-à-vis not only Taiwan but also its main allies (Japan, Korea, Australia), and to reassure such partners as the ASEAN who are openly willing to see the US military stick around to balance a growing PLA presence — all these well-known factors are likely to convince the Obama and probably the post-Obama administrations to resist China’s growing pressures over Taiwan.

The question may boil down to predicting whether Taiwan itself, in view of the growing risks of “Hongkongisation” of its economy and its society, if not yet its polity, may in the future consider revising its security relations with the US. Here, in spite of DPP criticism, the bipartisan consensus on Taiwan’s need for self-defence as the best guarantee of its sovereignty has remained strong. The blue and the green may disagree about names, symbols, and long-term yet unpalatable objectives, but their common bottom line should not be overlooked.

Nevertheless, as we have seen, the current rapprochement between Taipei and Beijing has spurred both increased Chinese pressure on Washington and unprecedented debate in the US about its long-term commitment to the security of the island. While most of the questions raised in this debate are sensible, they are likely to remain unanswered for some time to come.

Conclusion

It is vain to deny that most Taiwanese appreciate the new détente in the Strait and support direct flights, the ECFA (though to a lesser extent), and a more “normal” and stable relationship with China generally. Owing to the level of economic interdependence and integration between Taiwan and China, what has been achieved in the last two years is, in a sense, long overdue.

Yet détente and growing economic integration have not been cost-free for Taiwan. They have increased China’s influence over Taiwan, and as a consequence have narrowed Taiwan’s room for manoeuvre and weakened its security, while not substantially enhancing its international space. They may also contribute to jeopardising the ROC’s *long-term* de facto sovereignty and survival.

Adjustment to Taiwan defence is ongoing, but the KMT government has not invested as many resources as expected in it.

While some discreet military CBMs may have been put into place since 2008, neither side has yet identified the proper channel to discuss security issues. Moreover, the PLA’s increasing ability to project forces overseas has posed to Taiwan and the US fresh challenges that CBMs as such cannot fully overcome. Although the US remains committed to balancing the PLA’s role in the Asia-Pacific region, the cost of an armed conflict in the Taiwan Strait continues to grow.

It is true that the current KMT government has given the impression of sometimes putting Taiwan’s relations with the PRC or, symbolically, its Chineseness, above democracy or even its security links with the US. In view of the numerous complex differences between the two sides of the Taiwan Strait, however, how far can Ma go in this direction?

First of all, the current détente, which has often been described by us and others as a *rapprochement*, remains militarised and fragile. There has clearly been a rapprochement between the KMT and the CCP, but can we talk about a PRC-ROC reconciliation? Far from it, since the sovereignty dispute has not been addressed but merely put aside for the sake of negotiating functional and economic agreements. Moreover, the détente is likely to remain highly militarised.

Second, can the KMT completely eradicate not only the Taiwanese identity but also Taiwan’s nation-building? The Taiwanese identity is becoming more moderate and pluralistic (multiple identities) but, at the same time, it is fair to argue that the KMT’s resurrected Chineseness cannot totally overwhelm the island’s Taiwanisation or Taiwanese-ness, which it still needs to win elections. Fed by the identification between the ROC and Taiwan, this reality will continue to constrain the KMT, at least as long as the PRC refuses to democratise. Third, while some observers are concerned about China’s negative impact on Taiwan democracy or the deterioration of the rule of law, democracy has on the whole remained strong and, in Bush and Romberg’s words, Taiwan’s “first and foremost resource” against any disadvantageous deal.⁽⁶¹⁾ The DPP’s criticism and protests cannot be totally ignored by the KMT (or Beijing), even if a majority of Taiwanese still back the accords. Any further step in the negotiations with China, in particular on security and political issues, will require a much stronger consensus.

Fourth, it is clear at present that most Taiwanese—as well as the majority of the PRC’s Asian neighbours—favour

60. Chris Hughes, “One Country, Two Systems and Taiwan: Actions More Important than Words?”, paper presented at the 7th Annual Conference on China-EU Relations and the Taiwan Question, Shanghai, 5-6 June 2010, http://www.swp-berlin.org/common/get_document/php?asset_id=7330.

61. Bush & Romberg, *op. cit.*

non-confrontational policies towards China, while still supporting and benefiting from a (however vague) security guarantee (the TRA) that protects them against “Finlandisation”, let alone “Hongkongisation.” For these reasons, the changing Taiwanese mindset underscores a process not so much of “Finlandisation,” for the simple reason that none of the three parties involved would accept such a “solution,” nor of “Hongkongisation,” because the ROC is a nation-state, but of what I would be tempted to qualify as “accommodation with Taiwanese characteristics.” This process has accelerated since 2005 and has already affected the DPP, forcing its leadership to also adopt a more realistic and pragmatic mainland policy.⁽⁶²⁾

Additionally, in the coming years, China's assertiveness will probably convince the US to favour a more hands-on policy regarding cross-strait relations. Although it will let Beijing and Taipei go as far as they can in addressing the security issues at stake, Washington may involve itself in the process, not only as a “strategic balancer” but also as a facilitator or even a mediator, in particular if China pushes the envelope too far.

In other words, the US is likely to remain the last rampart, or guarantee, against any alignment between Taiwan and China – an alignment that is only desired, it should be stressed, by a minority of deep-blue voters on the island. •

62. I may have been among the first to toy with applying the concept of Finlandisation to Taiwan (cf. Jean-Pierre Cabestan, *Taiwan – Chine populaire: l'impossible réunification*, Paris, Ifri-Dunod, 1995). However, after reading Bruce Gilley's stimulating but provocative article (“Not so Dire Straits. How the Finlandization of Taiwan Benefits U.S. Security,” *op. cit.*), which unexpectedly gives a positive interpretation of Finlandisation, I have preferred to stop using the term. Obviously, there are too many differences between the Cold-War era's Finland and today's Taiwan. Among them are China's reunification objective, Taiwan's contested international status, the *de facto* Taipei-Washington alliance enshrined in the TRA, and the Finns' strong will, as opposed to the greater ambivalence in Taiwan, to resist aggression. “Taiwanisation” would have been a possible alternative to Finlandisation, if it had not over time acquired the exact opposite meaning: a process of identity and nation-building distinct and more distant from China and Chinese nationalism. Emphasising the many differences with “Hongkongisation,” “accommodation with Taiwanese characteristics” attempts to encapsulate the specificities of Taiwan's situation: its unique historical trajectory, its questioned yet genuine statehood, its independent military entirely focused on the PLA threat, as well as its proper yet ambiguous identity developed within the ROC framework: a democratic but also Chinese constitutional and cultural environment.