

Briefing Memo

The purpose of this column is to respond to reader interests in security issues and at the same time to promote a greater understanding of NIDS.

A “briefing” provides background information, among others. We hope these columns will help everyone to better understand the complex of issues involved in security affairs. Please note that the views in this column do not represent the official opinion of NIDS.

Structural Changes in US-China-Taiwan Relations

Senior Fellow, 6th Research Office, Research Department
MATSUDA Yasuhiro

The Taiwan issue has been called “the core issue in US-China relations,” and is the issue on which it is most difficult for the two sides to find common interests. Deng Xiaoping once went so far as to say that the Taiwan issue “is the main impediment to China-US relations, and if worst comes to worst it could possibly develop into an explosive issue for the two countries’ relations.” Moreover, even though the US-China-Taiwan relationship is an asymmetric triangular relationship with huge disparities in the power ratios, the presence or lack of power is not necessarily reflected in the game’s process or results. At times, changes in Taiwan’s internal politics have been able to “jerk around” both the United States and China. In this paper, I hope to provide a viewpoint for understanding how the structure of this US-China-Taiwan relationship is changing.

At the time of the great transformation in the international structure occasioned by the end of the China-Soviet rivalry and of the Cold War, Taiwan was in the process of promoting democratization and Taiwanization in its domestic politics, and was receiving both more support from the United States and more hostility from China. Where China’s international standing had fallen in the aftermath of the Tiananmen Square Incident, Taiwan was being treated with more importance than before by Japan and the United States. Nevertheless, in the early 1990s when the democratization process in Taiwan was in progress, how the US-China-Taiwan relationship was changing remained unclear.

The event that triggered the vicious cycle of military confrontation and competition for military expansion in the relationship between China on one side, and Taiwan and the United States on the other, was the Third Taiwan Straits Crisis of 1996. As democratization and Taiwanization proceeded, Taiwan began to strengthen its independent stance, and to deny, both implicitly and explicitly, its

unification with China. At a time when China could not bring itself to tolerate these independent moves in Taiwan, it lost its faith in the previous “peaceful unification policy” and began moving toward reliance on military force to restrain Taiwan from becoming independent. At the same time, the United States sent two carrier battle groups to the area around Taiwan, clearly demonstrating its national determination to not tolerate Chinese adventurism. Taiwan at this time was successful in projecting to the entire world an image of “under US aegis, we have resisted a domineering China and achieved democratization.”

The United States thus showed that, in order to defend Taiwan, it was willing to go beyond the sale of weapons and to itself go to the defense of Taiwan if necessary, thereby forestalling Chinese adventurism. But this action ironically also emboldened Taiwan into demonstrating even more independent behavior. This led China to further strengthen its threats of force, leading the United States to strengthen its assistance to Taiwan, leading Taiwan to more confidently assert independent action... to establish a kind of “vicious cycle of destabilization” in the US-China-Taiwan relationship.

US President Bill Clinton attempted to escape from this vicious cycle in 1997 and 1998 by seeking to improve the relationship with China through an exchange of visits between the heads of state and through repeated assertions intended to restrain Taiwan of: (a) no support for Taiwanese independence; (b) no support for two Chinas or one China and one Taiwan; and (c) no support for Taiwan membership in any organization with a sovereign state requirement (the Three Nos). In the face of this concerted pressure from the United States and China, Taiwanese President Lee Teng-hui struck back at China with a provocative response that was timed to directly follow the worsening of US-China relations after the mistaken NATO bombing of the Chinese embassy in Belgrade, to the effect that the China-Taiwan relationship “is a special state-to-state relationship” (the two-state theory). In other words, the Clinton Administration was swinging back and forth between Taiwan and China in an attempt to strike a balance at maintaining the current situation in the Taiwan Straits, an attempt that ended in failure.

In May 2000, the pro-independence Chen Shui-bian government was established in Taiwan, followed by the advent the following January of the George W. Bush Administration, which was viewed as taking a harder line on China, and changes appeared in the US-China-Taiwan relationship as well. At the outset, the Bush Administration defined China as a “strategic competitor,” and emphasized good relations with friends and allies like Japan and with a democratizing Taiwan. Soon after his inauguration, President Bush said, “whatever it takes to help Taiwan defend itself,” and approved a proposal for a large arms sale to Taiwan that included Patriot PAC-3 missiles, P-3 antisubmarine patrol planes, and diesel-powered submarines. From the very beginning, the Bush

Administration eliminated “ambiguity,” clearly seeking to deter China’s use of force and intimidation while at the same time reassuring Taiwan and encouraging it not to provoke China.

The Bush Administration’s relationship to China and Taiwan began to change with the events of September 11, 2001. The terrorist attacks in September 11, 2001 were a shocking event that changed the US security outlook and brought about a reversal in global strategy designed to protect the United States from terrorism. International cooperation became more important in the fight against terrorism, and cooperation with China, a permanent member of the UN Security Council, was essential for the United States in order to continue waging its war on terrorism. Moreover, the failure of the democratization process to proceed smoothly after the use of armed force in Iraq has also made the United States more cautious in its foreign relations.

In addition, thinking in the United States has lately considered the real danger to be “failed states” such as Afghanistan or Sudan, and terrorist organizations that do not perform rational cost-risk calculations. Viewed under this standard, the danger from China was recognized as being relatively low. On top of that, with China’s excellent economic growth, the position of China has definitely risen for the United States.

However, this change in the United States is not a situation that allows China to take an optimistic view. When the Bush Administration solicited China’s cooperation in anti-terrorism, it did not necessarily mean sacrificing the military relationship with Taiwan. US sales of arms to Taiwan have weakened the effect of China’s armed threat, while at the same time providing a military bolster for Taiwan to achieve “independence.” As a result, in the competition for military expansion, China felt compelled to add forces that were capable of suppressing Taiwan and denying US intervention. China’s moves to suddenly raise the number of short-range ballistic missiles aimed at Taiwan from just over 400 missiles to around 800 missiles, and to send naval forces deeper into the Pacific Ocean, were for the purpose of nullifying beforehand the missile defense system that Taiwan planned to introduce. This vigorous military expansion by China itself alarmed the United States, which resulted in the United States strengthening its own response to China and boosting its military assistance to Taiwan, to instigate a new “vicious cycle” in the US-China-Taiwan relationship.

China’s neglect of democratization, marginalization of efforts on human rights issues, the Taiwan issue, and the “unfair trade issue,” in order to instead press ahead with economic growth and expansion of military armaments, has clearly raised concerns in the United States. Moreover, China’s adoption of the Anti-Secession Law, including the “use of non-peaceful means” in reference to the Taiwan issue, served to boost US concerns still more. The United States is pushing an “engagement strategy” for China to guide it to become a “responsible stakeholder,” while at the same time preparing a “hedge strategy” in case China becomes an antagonistic power to the United States. As a

result, the United States has strengthened its guard against China and continues to find its interests in maintaining assistance for Taiwan.

While the United States thus continued to provide assistance to Taiwan even since the events of September 11, 2001, its enthusiasm has been cooled by changes in Taiwan's domestic political situation. In Taiwan, the Chen Shui-bian government's political power base was too weak. In order to obtain re-election in 2004, therefore, Chen Shui-bian opted for an election strategy that would set a strongly independence-colored agenda to boost Taiwan's national identity through the "adoption of a new constitution by national referendum." In other words, the strategy was to drive the opposition party, which was critical of the agenda as dangerous, into a political corner by stating that their opposition to the "adoption of a new constitution by national referendum" was the same position as the Chinese Communist Party, and was a strategy that made political use of the Communist Party in the election. It proved successful for Chen Shui-bian, and he won re-election.

But the cost of re-election was loss of trust by the United States, which hated the Chen Shui-bian government's "provocation" of China, and which continued to express concerns about a "national referendum" and "adoption of a new constitution." In addition, Taiwan's backward-looking arguments over the special budget for major arms purchases annoyed the United States. The US impression of Taiwan was increasingly that of a "free rider" that could not be bothered with its own defense but instead relied on the United States to deal with the Chinese military threat, while at the same time being a "troublemaker" that constantly provoked China. What had been a good political relationship between the United States and Taiwan deteriorated, and the Chen Shui-bian government sacrificed what should have been a structurally beneficial relationship with the United States as political capital to win the election. Moreover, the 2004 re-election marked the peak for the Chen Shui-bian government, after which it went into decline. The ruling party was unable to secure a majority in the Legislative elections held at the end of that year, and suffered a historic defeat in unified local elections at the end of the following year. This was followed by recurrent money scandals in the First Family, so that as of August 2006, the support rate for Chen Shui-bian had fallen to less than 20% range.

Meanwhile, although Hu Jintao was criticized for adopting the Anti-Secession Law, he has also boosted conciliatory policies toward Taiwan, and Taiwan is becoming increasingly dependent on China economically. The Chen Shui-bian government can no longer forestall lame-duck status, and the possibility of a change of government in 2008 to the Kuomintang party led by Chairman Ma Ying-jeou is becoming increasingly likely. If the change of government occurs and a Kuomintang government is established, restrictions on China-Taiwan exchanges will be further relaxed, and Taiwan could well become more "pro-China."

Unrealistic changes to the situation are probably not what we may be confronted with in the future. Constitutional revision in Taiwan must overcome some very high hurdles, so that a change in the current situation is virtually impossible. The phenomenon of a Taiwan leaning toward an undemocratic and “unappealing” China may in fact be the trend with the most likelihood in the future. The residents of Taiwan, for example, may lose confidence in a democratic Taiwan or the will to resist military intimidation, and may become more alienated than at present in their relationship with Japan and the United States. This is not a Taiwan that either the United States or Japan have seen since the end of World War II. But a trend in which Taiwan begins to tilt more strongly toward China while generally maintaining the current situation in the Taiwan Straits, coupled with a United States worn out by the aftereffects of Iraq and beginning to experience a declining commitment to East Asia, is probably hard to refute so long as nothing unusual happens to the process of a rising China. The power balance in East Asia is changing minute by minute. A trend in which the power balance among the three parties, not domestic politics in Taiwan, could well determine the conclusion to the trilateral rivalry has increased along with internal disarray in Taiwan.

(Draft completed on August 14, 2006)

Please contact us at the following regarding any questions, comments or requests you may have. Please note that no part of this document may be reproduced in any form without the prior consent of NIDS.

Planning and Coordination Office, The National Institute for Defense Studies

Telephone: 03-3713-5912

Fax: 03-3713-6149

E-mail: nidsnews@nids.go.jp

Website: <http://www.nids.go.jp>