

The U.S. Balancing Role in Cross-Strait Relations: The Irony of "Muddling Through"*

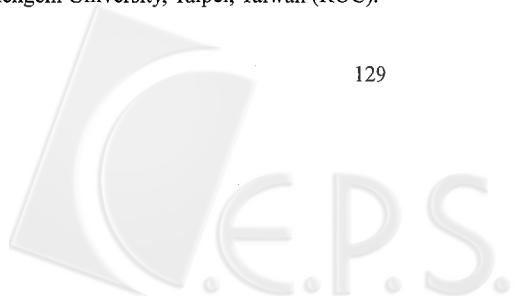
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This paper provides a conceptualization of cross-Strait relations during the first decade of the twenty-first century. In particular, it traces the path by which the Bush administration came to play a balancing role in cross-Strait relations. As will be seen, there is more than a little irony about the current state of cross-Strait relations. First, the Bush administration's policy toward the conflict between China and Taiwan has been measured and primarily reactive, in contrast to its aggressive initiatives elsewhere, suggesting a policy of "muddling through." Second, President George W. Bush has evidently become upset with President Chen Shui-bian on several occasions for acting like, well, President Bush: appealing to his base constituency and being "bold" in foreign affairs. Finally and more analytically, a policy of muddling through (which can be discerned in Beijing and Taipei as well as in Washington) does not imply very good policymaking, especially in such a vital area as the relations between Tai-

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wan and China. Yet, at least so far, muddling through seems to have worked tolerably well in the sense that crises in cross-Strait relations have been defused and that they now appear fairly stable, despite the fundamental disagreement between Beijing and Taipei over Taiwan's sovereignty.

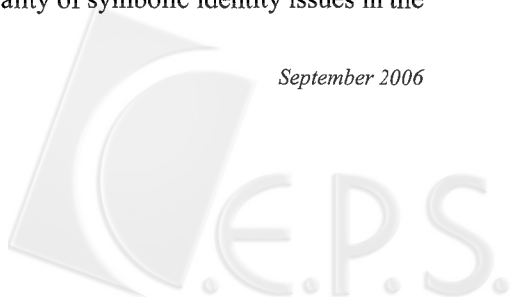
KEYWORDS: cross-Strait relations; U.S. foreign policy; muddling through; two-level game; Chen Shui-bian.

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Taiwan's relations with the United States under the presidency of Chen Shui-bian (陳水扁) have not been particularly tranquil, as marked disagreements about Taiwan's policy toward China have periodically erupted over the past four years (2002-06). From the perspective of the fairly recent past, though, this is more than a little surprising. In general terms, Taiwan and America have been allies throughout the postwar era; for the last fifteen years or so both have felt threatened (Taiwan far more so) by China's rapid economic and military modernization; and, more specifically, both have a very strong mutual interest in preserving peace and stability in cross-Strait relations. More specifically in terms of actual political relations at the dawn of the twenty-first century, George W. Bush, who assumed office less than a year after Chen won power in Taiwan, was clearly the most pro-Taiwan U.S. president since the Nixon administration reoriented Sino-American relations thirty years previously; and Taiwan's extremely successful democratization during the 1990s exemplified one of the most important themes in Bush's foreign policy. Furthermore, the changing international environment in the first several years of the new decade seemingly worked to moderate the policies of Beijing, Taipei, and Washington toward one another.

Yet, there were some very significant centrifugal forces as well that quickly undermined the stability of cross-Strait relations. In particular, rising nationalism in both China and Taiwan pushed the two governments to challenge each other continually over their mutually incompatible sovereignty claims; and these pressures were greatly exacerbated in the case of Taiwan by the growing centrality of symbolic identity issues in the



country's domestic politics. The Bush administration in the United States, for its part, faced cross-pressures from important constituencies on Sino-American relations. On the one hand, business interests wanted to maintain good relations with the People's Republic of China (PRC). On the other hand, the nationalistic "neo-conservatives" or neocons saw China as an emerging major threat to America. Initially, the Bush administration seemed to lean toward the neocon side as it termed China a "strategic competitor." This sharply distinguished it from the previous Clinton administration whose goal was to make the PRC a "strategic partner," which explains Bush's strong support for Taiwan at the beginning of his administration. Yet, within just a year or two, Bush came to need the cooperation of China in the war on terror and in trying to control North Korea's nuclear program. Consequently, America came to assume the role of a balancer in cross-Strait relations, seeking to maintain peace and stability whenever Taipei or Beijing roiled the waters of the Taiwan Strait.

This paper provides a conceptualization of cross-Strait relations during the first decade of the twenty-first century. In particular, it traces the path by which the Bush administration came to play a balancing role in cross-Strait relations. As will be seen, there is more than a little irony about the current state of cross-Strait relations. First, the Bush administration's policy toward the conflict between China and Taiwan has been measured and primarily reactive, in contrast to its aggressive initiatives elsewhere. Indeed, U.S. policy toward Taiwan appears best described by Charles Lindblom's concept of policymaking as "muddling through" or making minor ad hoc adjustments in policy rather than formulating and implementing a coherent and sophisticated strategy.¹ Second, President Bush has evidently become upset with President Chen on several occasions for acting like, well, President Bush: appealing to his base constituency and being "bold" in foreign affairs. Third, for its part, Beijing almost certainly contributed considerably to creating its own nightmare (i.e., a Chen admin-

¹Charles E. Lindblom, "The Science of Muddling Through," *Public Administration Review* 19, no. 2 (March 1959): 79-88.

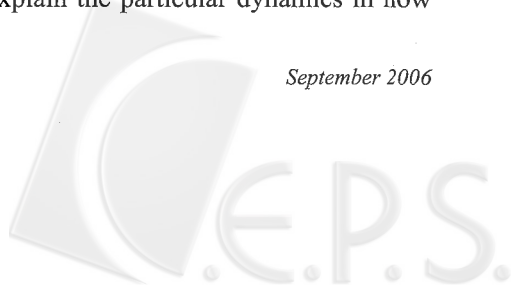


istration pushing the envelope for Taiwan independence) by its refusal to respond to Chen Shui-bian's conciliatory policy during the first two years of his administration. Finally and more analytically, a policy of muddling through (which can be discerned in Beijing and Taipei as well as in Washington) does not imply very good policymaking, especially in such a vital area as the relations between Taiwan and China. Yet, at least so far, muddling through seems to have worked tolerably well in the sense that crises in cross-Strait relations have been defused and that they now appear fairly stable, despite the fundamental disagreement between Beijing and Taipei over Taiwan's sovereignty.

The paper has three primary sections. The first presents the four central concepts that will be used to explain U.S. policy toward cross-Strait relations. The second describes how an "implicit accord" seemed to be created among the three governments in 2001 over cross-Strait relations. The third then discusses the drift toward confrontation between Taipei and Beijing over the last few years and how the Bush administration sought to balance the threats emanating from either side of the Strait. Finally, the conclusion briefly seeks to evaluate the policy of "muddling through."

Conceptual Framework

Four primary theoretical concepts will be applied to explain American policy toward cross-Strait relations. First, the overall position of the United States is conceptualized as the "pivot" in the triangular relations among Washington, Taipei, and Beijing. Second, U.S. policy is viewed from the perspective of "deterrence theory," initially military deterrence aimed at the PRC but more recently "dual deterrence" that sought to prevent the Republic of China (ROC; or Taiwan) from provoking China by pushing Taiwan independence too strongly. Third, actual U.S. policy will be described as "muddling through"; and analogous policy outcomes will be noted in China and Taiwan as well. Finally, the theory of foreign policymaking as a "two-level game" involving domestic as well as international considerations will be applied to explain the particular dynamics in how



Washington, Taipei, and Beijing interact over cross-Strait relations.

The Strategic Triangle in Cross-Strait Relations

Cross-Strait relations between Taiwan and China are very strongly influenced by the policies of the United States, which interacts regularly with both Beijing and Taipei to try to shape the security environment in the Taiwan Strait area. In particular, America tends to seek to preserve peace and stability in cross-Strait relations, despite the mutually incompatible positions of Taipei and Beijing on Taiwan's sovereignty and the periodic hostility and confrontations that this fundamental dispute over sovereignty generates. In addition, since the late 1990s the United States has been seeking to develop a policy in response to the growing economic and military power of a "rising China," although its policy has generally remained indecisive between the alternatives of practicing "containment" against a potential rival or seeking to promote the PRC's becoming a "responsible actor" in international affairs.²

Cross-Strait relations, hence, can be conceptualized as a "strategic triangle" among Washington, Beijing, and Taipei. The concept of "strategic triangles" in international relations theory was initially developed for great power rivalries, such as the Cold War relationships among the United States, Soviet Union, and PRC. However, the basic principles can easily be extended to other types of international situations; and, indeed, this theory has been explicitly applied to the mutual relations among America, China, and Taiwan.³ This relationship clearly follows the pattern of a "romantic triangle" in which one country (in this case the United States)

²Thomas J. Christensen, "The Contemporary Security Dilemma," *The Washington Quarterly* 25, no. 4 (Autumn 2002): 7-21; Alan D. Romberg, *Rein In at the Brink of the Precipice: American Policy Toward Taiwan and U.S.-PRC Relations* (Washington, D.C.: The Henry L. Stimson Center, 2003); Robert L. Suettinger, *Beyond Tiananmen: The Politics of U.S.-China Relations, 1989-2000* (Washington, D.C.: Brookings Institution Press, 2003); and Robert G. Sutter, *China's Rise in Asia: Promises and Perils* (Lanham, Md.: Rowman & Littlefield, 2005).

³Yu-Shan Wu, "Domestic Political Competition and Triangular Interaction Among Washington, Beijing, and Taipei: The U.S. China Policy," *Issues & Studies* 42, no. 1 (March 2006): 1-46.



has good or positive relations with the other two nations in the triangle which, conversely, view each other as competitors or threats. In such a situation, the one with good relations is termed the pivot. In theory, this is an advantageous position because the other two countries will compete for the pivot's support. However, in practice, their competition and cross-pressures on the pivot may detract considerably from the advantageousness of this position. The United States clearly plays the pivot role in the cross-Strait triangle, although there is some controversy over how willingly it assumed this position.⁴

The United States has occupied this pivot role for the last thirty-five years since Richard Nixon and Henry Kissinger negotiated a rapprochement with the PRC in the early 1970s, following more than two decades of Cold War confrontation in which Washington and Taipei were strong allies against Beijing. The nature of this pivot role changed fundamentally with the 1995-96 Taiwan Strait crisis. Before that, the United States sought to have good relations with both governments, but did not attempt to shape their relations toward each other to any great extent. Following China's threats to Taiwan in 1995-96, however, Washington moved to assume a much more active "balancing" role aimed at preserving peace and stability in the Taiwan Strait by preventing either side from taking radical policy steps that might provoke military confrontation.⁵

U.S. Deterrence Policy in the Strategic Triangle

A major component of the U.S. policy to preserve peace and stability in the Taiwan Strait has clearly been "deterrence." At the abstract level, deterrence is conceptualized as the use of threats to prevent the outbreak of war. The theory was developed during the Cold War between the United States and the Soviet Union and emphasized the role of nuclear weapons in deterring both sides from taking actions that could have triggered cata-

⁴Ibid.

⁵Harry Harding, *A Fragile Relationship: The United States and China since 1972* (Washington, D.C.: Brookings Institution Press, 1992); Suettinger, *Beyond Tiananmen*; and Sutter, *China's Rise in Asia*.



strophic attacks upon each other's homeland.⁶ Again, this theory that was developed for the relations between great powers fits quite well into the analysis of cross-Strait relations, especially in terms of how American policy has been aimed at deterring Chinese military threats to Taiwan.⁷

The nature of the deterrence exercised by the United States toward China has varied considerably over the postwar era, with four different periods being discernible. During the Cold War confrontation from 1950 through the early 1970s, the United States deterred Chinese attacks through specific military threats and actions, such as the 1954 Mutual Defense Treaty with the ROC and active support for Taiwan in the two "offshore islands crises" during the 1950s.⁸ The transformation in the early 1970s in Sino-American relations from the Cold War confrontation between the United States and Taiwan on the one side and China on the other to the "romantic triangle" described above, led to a major shift in U.S. policy as deterrence became much less explicit both because Washington sought to have good relations with Taipei and Beijing simultaneously and because the Chinese military threat to Taiwan waned considerably. The Taiwan Strait crisis of 1995-96 raised the PRC's military threat level again, causing America to engage once more in explicit deterrence aimed at Beijing.⁹ Finally, in 2002-03 rising fears in Washington that a declaration of Taiwan independence might provoke a Chinese attack led to the emergence of what has been called "dual deterrence" aimed at deterring both military actions by Beijing and unilateral attempts by Taipei to change Taiwan's international status.¹⁰ The idea of "dual deterrence" also raises the point that deterrence can extend beyond the strictly military sphere. In the last few years,

⁶Patrick M. Morgan, *Deterrence Now* (Cambridge: Cambridge University Press, 2003).

⁷Christensen, "The Contemporary Security Dilemma," 7-21.

⁸Thomas E. Stolper, *China, Taiwan, and the Offshore Islands* (Armonk, N.Y.: M.E. Sharpe, 1985).

⁹Christensen, "The Contemporary Security Dilemma," 7-21.

¹⁰Gang Lin, "Traversing the Dangerous Waters," *Issues & Studies* 41, no. 4 (December 2005): 264-69; and Robert G. Sutter, "Bush Administration Taiwan Policy: Preserving Stability" (Paper presented at the Conference on Reframing Taiwan, University of South Carolina, 2005).



for example, the United States has not threatened Taiwan militarily nor sought to influence its actions in the security area. Rather, Washington's concerns have focused on political statements. Moreover, as Christensen emphasizes, deterrence usually involves reassurances as well as threats that reduce the fears of the target that might provoke military action.¹¹

Cross-Strait Policies as "Muddling Through"

Surprisingly, perhaps, U.S. policy toward China and Taiwan appears to have been fairly "incremental" since the dramatic Nixon-Kissinger rapprochement with the PRC initiated the "romantic triangle" among Washington, Beijing, and Taipei. That is, even though America occupies the seemingly powerful role in the triangle, its policies toward Taiwan and China have been fairly reactive. For example, its long-term policy of "strategic ambiguity" purposely did not specify how it would act in specific circumstances in the hope that neither Beijing nor Taipei would test the limits of this ambiguity. Even dramatic events, such as the 1995-96 Taiwan Strait crisis, do not appear to have changed this reactive policy dynamic greatly.¹² For quite divergent reasons, similar (if not greater) policy stasis can be seen in both Taipei and Beijing. China tends to enunciate basic principles, such as "one country, two systems" or "one China," and then demand that Taiwan accept them before meaningful negotiations can commence. In Taiwan, as described in more detail below, policy on cross-Strait relations is currently frozen because it is the central issue dividing the fairly evenly balanced political forces in the country, thus producing polarization and gridlock. Consequently, policy on cross-Strait relations has resembled what Charles Lindblom called muddling through by making (usually minor) ad hoc adjustments rather than formulating and implementing a comprehensive and coherent strategy.¹³

¹¹Christensen, "The Contemporary Security Dilemma," 8-10.

¹²Nancy Bernkopf Tucker, "Strategic Ambiguity or Strategic Clarity?" in *Dangerous Strait: The U.S.-China-Taiwan Crisis*, ed. Nancy Bernkopf Tucker (New York: Columbia University Press, 2005), 186-211.

¹³See note 1 above.



Cross-Strait Relations as a "Two-Level Game"

Traditionally, the dominant approach to analyzing international relations has been "structural realism" which views the interactions among nations as something of a strategic "chess match" among countries pursuing their unitary national interests.¹⁴ In many instances, though, this conceptualization is clearly oversimplified as national governments are divided within themselves on major foreign-policy issues and as calculations of domestic politics can be very important in making foreign policy. Robert Putnam, for example, has conceptualized the relationship between diplomatic and domestic politics as a "two-level game" with complex interactions between the two areas feeding back into each other.¹⁵

Putnam's theory of a two-level game appears to be very appropriate for analyzing cross-Strait relations. This interaction between foreign and domestic policy is by far the most pronounced in Taiwan, where national identity has become the central cleavage between the two major blocs of parties (the pan-Green [泛綠] and pan-Blue [泛藍] coalitions).¹⁶ Consequently, as described in detail in the third section of this paper, appeals to domestic constituencies often have substantial implications for cross-Strait relations that affect Taipei's relations with Beijing and Washington, while actions by the PRC are widely perceived to have had at least some impact on Taiwan's voters on several occasions. Similarly, growing nationalism in China almost certainly constrains the ability of the government to be accommodating toward Taiwan,¹⁷ and Yu-Shan Wu (吳玉山) argues that the presidential election cycle in the United States periodically raises controversial issues over Sino-American relations.¹⁸

¹⁴Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979).

¹⁵Robert D. Putnam, "Diplomatic and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42, no. 3 (Summer 1988): 427-60.

¹⁶See, for example, the special issue of *Asian Survey* on National Identity in Taiwan. Lowell Dittmer, "Taiwan and the Issue of National Identity," *Asian Survey* 44, no. 4 (July/August 2004): 475-83.

¹⁷Peter Hayes Gries, *China's New Nationalism: Pride, Politics, and Diplomacy* (Berkeley: University of California Press, 2004).

¹⁸See note 3 above.



The Implicit Accord of 2001

Tensions among all sides of the Beijing-Taipei-Washington triangle clearly increased during the second half of the 1990s, especially in cross-Strait relations between China and Taiwan. Then, the 2000 presidential elections in first Taiwan and then the United States were won by candidates who appeared to be somewhat antagonistic toward China in the case of George W. Bush and openly hostile in the case of Chen Shui-bian. Thus, an even greater deterioration in cross-Strait relations might well have been expected. However, just the opposite occurred as events in 2000 and 2001 combined to lead all three governments to adopt more moderate and conciliatory policies toward one another. By the end of 2001, therefore, an "implicit accord" seemed to have been worked out that stabilized the interactions among Taiwan, China, and the United States.

Rising Tensions

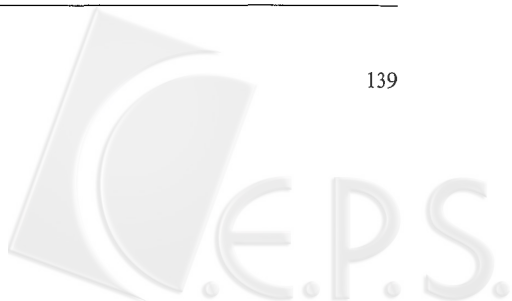
As summarized in the top two lines of table 1, growing nationalism in both China and Taiwan provided the major force disrupting cross-Strait relations at the turn of the century. For the first half of the 1990s both Taiwan and China seemed to have found a way to coexist despite their mutually incompatible sovereignty claims. Indeed, the early 1990s witnessed an explosion of trade, investment, and travel across the Taiwan Strait following Taiwan's liberalization of cross-Strait contacts in the late 1980s.¹⁹ Both countries had fairly optimistic perspectives about their futures because they evidently believed that time was on their side in the sense that existing political and economic trends were working in their favor. Beijing thought that growing economic and social ties across the Strait would gradually undercut Taiwan's separation from the mainland, while Taipei saw its separate international status being gradually established and consolidated

¹⁹Steve Chan, "Peace by Pieces? The Economic and Social Bases for 'Greater China,'" *American Asian Review* 14, no. 2 (Summer 1996): 35-50; and Yu-Shan Wu, "Economic Reform, Cross-Straits Relations, and the Politics of Issue Linkage," in *Inherited Rivalry: Conflict Across the Taiwan Straits*, ed. Tun-jen Cheng, Chi Huang, and Samuel S.G. Wu (Boulder, Colo.: Lynne Rienner, 1995), 111-33.



Table 1
Moves toward Greater Conflict and Irritations in the Taiwan-China-U.S. Triangle, 1995-2000

Nation	Conflictual Action
Taiwan to China	Lee Teng-hui's push to upgrade Taiwan's international status, culminating in 1995 visit to Cornell Lee's advocacy of "special state-to-state relations" in 1999 Pro-independence Chen Shui-bian wins presidency in 2000
China to Taiwan	1995-96 missile tests aimed at intimidating Taiwan voters Long-term build-up of missiles threatening Taiwan Premier Zhu Rongji's threat at the end of Taiwan's 2000 presidential campaign Demand that Chen accept "one China" principle after his conciliatory "Five No's"
China to U.S.	Ongoing disputes over human rights, weapons proliferation, and Taiwan Growing threat represented by military modernization Bursts of anti-American nationalism (embassy bombing in 1999 and EP-3 crisis in 2001)
U.S. to China	U.S. support of Taiwan as issue became increasingly central for Chinese nationalism Continued lecturing of China on human rights and other issues Bombing of China's Belgrade embassy in 1999 Election of George W. Bush as president in 2000 with view that China was a "strategic competitor," not a "strategic partner" Bush states the United States "would do whatever it takes" to defend Taiwan in case of Chinese attack in 2001
Taiwan to U.S.	Some blame given to Lee Teng-hui's actions in the United States for very harsh Chinese reaction to his 1995 visit Feeling that Lee was unduly provocative in "special state-to-state relations" statement in 1999
U.S. to Taiwan	Growing fears that the United States was reducing its support for Taiwan's sovereignty, especially after Clinton's "three no's" statement in 1998



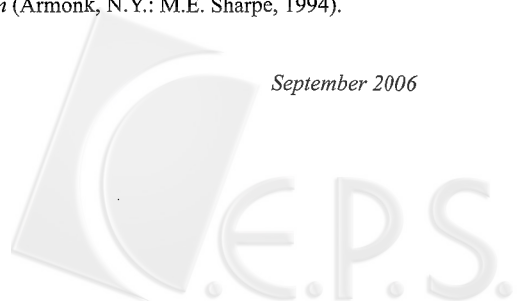
through President Lee Teng-hui's (李登輝) "pragmatic diplomacy."²⁰

By 1995, however, both began to fear that the other's positive assessments were coming true. Taiwan became increasingly worried that China was successfully isolating it diplomatically and making the island economically dependent on the mainland, while China worried that Taiwan was on the verge of establishing Taiwan independence. Much more importantly than this flip-flop from optimism to pessimism at the government level, rising nationalism on both sides of the Strait fueled the transformation of the détente of the early 1990s into periodic confrontations during the second half of the decade. In the post-Tiananmen (天安門) PRC, the government turned to Chinese nationalism as its primary legitimizing motif, unleashing a "new nationalism" among both the public and the government who saw Taiwan as representing the last major symbol of national humiliation from nineteenth-century Western and Japanese imperialism whose reunification was essential for China's "face." Moreover, the military was increasingly critical of the new CCP leader Jiang Zemin (江澤民) for his soft policy toward Taiwan.²¹ In Taiwan, the population was becoming increasingly dissatisfied with the country's lack of diplomatic status and respect, such as its exclusion from the United Nations; and democratization was gradually allowing the expression of Taiwanese nationalism that had been suppressed under the authoritarian Kuomintang (KMT, 國民黨).²² In short, many in Taiwan saw Chinese nationalism as a new imperialism that threatened their society. Thus, the logic of a "two-level game" is clearly discernible here as domestic politics pushed both governments toward more confrontational relations.

²⁰Murray A. Rubinstein, "Political Taiwanization and Pragmatic Diplomacy in the Eras of Chiang Ching-kuo and Lee Teng-hui, 1971-1994," in *Taiwan: A New History*, ed. Murray A. Rubinstein (Armonk, N.Y.: M.E. Sharpe, 1999), 436-80.

²¹See note 17 above; Suisheng Zhao, *A Nation-State by Construction: Dynamics of Modern Chinese Nationalism* (Stanford, Calif.: Stanford University Press, 2004); and Yongnian Zheng, *Discovering Chinese Nationalism in China: Modernization, Identity, and International Relations* (Hong Kong: Cambridge University Press, 1999).

²²Yun-han Chu, "Taiwan's National Identity Politics and the Prospect of Cross-Strait Relations," *Asian Survey* 44, no. 4 (July-August 2004): 484-512; and Alan M. Wachman, *Taiwan: National Identity and Democratization* (Armonk, N.Y.: M.E. Sharpe, 1994).



Cross-Strait relations erupted in the summer of 1995 following a trip by Lee Teng-hui to his alma mater, Cornell University, that he had pressured the United States to allow to make up for the failure of Taiwan's U.N. campaign. China reacted unexpectedly and extremely strongly to Lee's visit, arguing that this represented a major change in American policy, supporting Lee's alleged effort to turn "creeping officiality" into Taiwan independence. Consequently, China went ballistic (almost literally) during 1995-96 with a series of war games and missile tests close to Taiwan that were clearly aimed at intimidating voters in the December legislative and March presidential elections. The crisis quickly de-escalated after Lee handily won re-election, but China kept up the military pressure with a continuing long-term build-up of short-range missiles across the Strait from Taiwan. During the crisis, the United States engaged in very clear military deterrence toward the PRC by, for example, sending carrier groups through the Taiwan Strait.²³

The next eruption in cross-Strait relations came from the Taiwan side in July 1999 when Lee put forth a theory that Taipei and Beijing were connected by "special state-to-state relations." While he soon denied that he was asserting Taiwan independence, the PRC responded very strongly to what it claimed was Taiwan's first direct and explicit challenge to the sovereignty of "one China." The United States reacted with considerable alarm as well. Initially, U.S. efforts (and ire) were directed toward Taipei which was seen as potentially challenging China without giving America any forewarning. When the PRC began to make implicit threats about minor military retaliation, U.S. policy turned toward explicit military deterrence aimed at Beijing. This crisis faded by the fall, but the March 2000 presidential election in Taiwan soon turned up the heat again. The election involved a neck-and-neck race among three major candidates, one of whom (Chen Shui-bian of the Democratic Progressive Party [DPP, 民主進步黨]) was seen as pro-independence in Beijing and by many elsewhere as well.

²³Suisheng Zhao, ed., *Across the Taiwan Strait: Mainland China, Taiwan, and the 1995-1996 Crisis* (New York: Routledge, 1999).



Given the close race, China again tried to intimidate Taiwan's voters with several threats in the month leading up to the election, culminating in Premier Zhu Rongji's (朱鎔基) finger-jabbing threat that Taiwan might not get another chance if it elected a pro-independence candidate. Even when Chen promised not to pursue independence unless China attacked, the PRC refused to acknowledge his conciliatory policy and quickly changed its prime demand from Taiwan's not declaring independence to Taiwan's accepting the "one China" principle. Chen's dramatic victory, therefore, seemingly set the stage for renewed tension and upheaval in the Taiwan Strait.²⁴

The bottom four lines in table 1 show that there were growing tensions in the other two legs of the Beijing-Taipei-Washington triangle as well. There were some minor disagreements in Taiwan-U.S. relations, although the relationship remained fairly cordial. For example, Washington placed significant blame on Lee Teng-hui for the 1995-96 and especially the 1999 Taiwan Strait crises; and Taiwan felt more than a little betrayed by President Bill Clinton's "Three No's" that pledged to oppose Taiwan independence.²⁵

The major increase in tension, though, was in Sino-American relations. The United States and China had a series of disputes over such issues as human rights and weapons proliferation that seemed to intensify over time; and China grew increasingly irritated by the American practice of lecturing it on many of these issues. Certainly, the growing conflicts between China and Taiwan inevitably strained Beijing's and Washington's relations with each other. In addition, the 1999 U.S. bombing of China's embassy in Belgrade and the April 2001 EP-3 spy plane crash-landing in

²⁴Cal Clark, *Asia Update: The 2000 Taiwan Presidential Elections* (New York: The Asia Society, 2000); and John F. Copper, *Taiwan's 2000 Presidential and Vice Presidential Election: Consolidating Democracy and Creating a New Era of Politics* (Baltimore: University of Maryland Series in Contemporary Asian Studies, 2000).

²⁵Chien-min Chao, "The Republic of China's Foreign Relations under Lee Teng-hui: A Balance Sheet," in *Assessing Lee Teng-hui's Legacy in Taiwan's Politics: Democratic Consolidation and External Relations*, ed. Bruce J. Dickson and Chien-min Chao (Armonk, N.Y.: M.E. Sharpe, 2002), 177-203.



China produced crises that inflamed Chinese nationalism.²⁶ Finally, the election of President George W. Bush in 2000 brought into office a man committed to changing the view of the PRC from a potential "strategic partner" to a "strategic competitor." Perhaps the strongest indication of this reorientation in policy was Bush's pledge to defend Taiwan in early 2001:

The adjustments in U.S. policy during the George W. Bush administration thus far have involved several steps, most notably the President's personal pledge that he would do "whatever it takes" militarily to protect Taiwan in the event of an attack from mainland China. No American president has issued such a strong statement in support of Taiwan's defense since before the ending of the U.S. defense treaty with Taiwan at the time of normalization of diplomatic relations with the PRC in the late 1970s. U.S. officials have maintained that the President's statement did not represent a change in U.S. policy toward the PRC and Taiwan, but no U.S. officials have said the President did not mean what he said, and several senior officials have highlighted the President's statement in interchanges with Taiwan officials and other observers.²⁷

A Surprising De-escalation

The beginning of the new century, therefore, showed considerable promise for growing conflict and "interesting times" in the Taiwan Strait. Yet, just as the tension built up, it had mostly dissipated by the second half of 2001 as all three governments in the triangle came to the same conclusion, albeit for varying reasons, that more moderate policies were in order. This created what might be called an "implicit accord" in that it really did not reflect specific agreements but, rather, represented a consensus among parallel policies of de-escalation. Table 2 summarizes the various motivations and policies in the three nations.

Perhaps the biggest surprise was the quite conciliatory policy that Chen Shui-bian took toward China after his dramatic victory in the March 2000 presidential election. He had begun his campaign for president by appealing to Taiwanese nationalism with such statements as "that Taiwan

²⁶Martin L. Lasater, *The Taiwan Conundrum in U.S. China Policy* (Boulder, Colo.: Westview, 2000).

²⁷Robert G. Sutter, "Evaluating the George W. Bush Administration's Policy Toward Beijing and Taipei" (Paper presented at the Conference on Taiwan and the World, University of South Carolina, 2002), 4.



Table 2
Taiwan, China, and the United States Seemingly Reach an "Implicit Accord,"
2001

Country	Conciliatory Actions
Taiwan	"Five No's" in Chen Shui-bian's inaugural speech promise not to promote Taiwan independence
China	Chen's conciliatory policy on Taiwan independence reduced perceived threat from Taiwan Evident decision that rapid economic growth depends on good ties with the United States Winning 2008 Olympic Games made peace in cross-Strait relations key Current U.S. military superiority gave stake in delaying conflict
United States	EP-3 crisis, ironically, forced the Bush administration to deal with China pragmatically rather than in terms of ideological stereotypes Bush administration became more positive toward China when it needed its cooperation in war on terrorism and North Korean nuclear weapons' crisis

is an independent country is not only a fact but also a shared wish and desire of more than 90 percent of the Taiwan people. The Constitution does not quite do the job of spelling out Taiwan as an independent state."²⁸ However, by the middle of the campaign, he moved back to the middle of the spectrum on cross-Strait relations, both to appeal to the "moderate middle" of the electorate in Taiwan and to calm fears in Beijing and Washington that his victory would constitute a pro-independence revolution. Then after his election, he was surprisingly conciliatory toward China in his inaugural speech, promising not to do anything to change the status quo unless the PRC attacked Taiwan, based on the "Five No's" that he would not: (1) declare independence, (2) change the Republic of China's official name, (3) hold a referendum on Taiwan's national status, (4) add "state-to-state relations" to the Constitution, nor (5) abolish the National Unification Council

²⁸Clark, *The 2000 Taiwan Presidential Elections*, 16.



(國家統一委員會) or the Guidelines for National Unification (國家統一綱領) that Lee Teng-hui had created in the early 1990s.²⁹

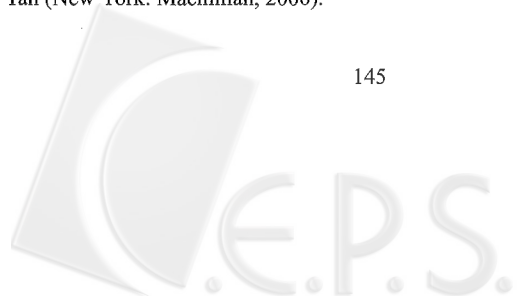
The bottom two lines in table 2 then list the conditions that pushed China and the United States to adopt more moderate policies. Chen's renunciation of Taiwan independence greatly reduced the threat of cross-Strait *contretemps*. More generally, several factors pushed China to improve relations with the United States. China's rapid integration into the global economy made its economic success increasingly dependent on maintaining good relations with the developed nations, especially the United States; its military lag behind America gave it a vested interest in avoiding or delaying confrontations; and Beijing's winning of the 2008 Olympics gave it a project to boost its international status that depended on peace and stability in the area of the Taiwan Strait. On the part of the United States, the EP-3 crisis ironically forced the new Bush administration to deal pragmatically with Beijing to resolve the crisis rather than just relying on the hostility of neoconservative stereotypes. Far more importantly, crises beyond the Taiwan Strait, in particular the war on terror and North Korea's nuclear weapons program, forced the United States to rely on cooperation with China. The end result was that the Bush administration moved on to have better relations with Beijing than its predecessor had even though it was significantly less accommodating.³⁰

Theoretical Perspective

The four theories outlined in the first section are all applicable to this evolution of cross-Strait relations during this period. Clearly, domestic political concerns formed a major factor pushing both Taiwan and China toward more conflictual policies in the mid-1990s. Once the 1995-96

²⁹Deborah A. Brown, "Taiwan's 2000 Presidential Election and Cross-Strait Relations," *American Asian Review* 19, no. 1 (Spring 2001): 55-107; and Copper, *Taiwan's 2000 Presidential and Vice Presidential Election*.

³⁰Shale Horowitz, Uk Heo, and Alexander C. Tan, "Democratization and National Identity in the China-Taiwan and Korean Conflicts," in *Identity and Change in East Asian Conflicts*, ed. Shale Horowitz, Uk Heo, and Alexander C. Tan (New York: Macmillan, 2006).



Taiwan Strait crisis erupted, the U.S.'s "pivot role" in the Beijing-Taipei-Washington triangle became much more salient and important, as the United States was forced to resort to explicit military deterrence aimed at China for the first time in twenty years. The 1999 crisis, in addition, made this deterrence policy more complex as America also became concerned about preventing Taiwan's political statements from provoking a Chinese attack. Despite this transition to a more explicit deterrence, though, U.S. policy appeared to be primarily reactive and to *not* reflect a broad strategy for managing cross-Strait relations, suggesting the model of making policy by "muddling through." For example, U.S. initiatives did not appear to be the major cause of the "implicit accord" that de-escalated cross-Strait tensions in late 2001. Rather, both Beijing and Taipei made their own policy adjustments based on a combination of internal and external factors, again invoking the image of a two-level game.

The Drift toward Confrontation and the Bush "Balancing" Position

What the last section termed the "implicit accord of 2001" proved to be extremely fragile, as China and Taiwan soon began to repeat the pattern of the late 1990s with periodic sharp disputes and confrontations followed by de-escalations without agreements. In this deteriorating situation, the Bush administration in the United States switched its position from a strong supporter of Taipei that was also trying to enjoy good relations with Beijing to a balancer between the two rivals. In particular, the United States simultaneously tried to deter China from attacking or threatening Taiwan and Taiwan from needlessly provoking China. Thus, as sketched in table 3, the fundamental problems in cross-Strait relations that the "implicit accord" tried to ignore, rather than resolve, made renewed jousting between Taipei and Beijing almost inevitable. This led the United States to try to play a balancing role between the two rivals which helped strain Washington's relations with both regimes to a significant extent—thus making the balancing role that much harder to maintain.



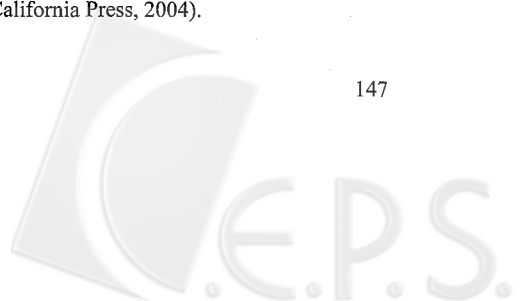
Table 3
The Degeneration of the Tacit Accord of 2001

1. A ticking time bomb	The fact that the implied ethic of "live and let live" was only a tacit understanding, not an explicit agreement, made it very fragile in view of the totally incompatible sovereignty claims of China and Taiwan.
2. Bilateral bombshells	<p>A. Both governments subject to substantial pressures from strongly nationalistic movements.</p> <p>B. The eruption of the identity issue in Taiwan in the early 2000s pushed DPP President Chen Shui-bian to challenge Beijing for reasons of domestic politics.</p> <p>C. Beijing's policies of diplomatically isolating and militarily intimidating Taiwan increasingly alienated Taiwanese.</p>
3. The United States as a balancer	The Bush administration tried simultaneously to deter both Beijing and Taipei from upsetting the stability of the status quo.
4. Challenges to the balancing role	<p>A. Military and economic threats of a "rising China" divided the Bush administration on Sino-American relations.</p> <p>B. Bush administration seemingly frustrated by Chen's provocations of China, while Beijing learned to play a more subtle game of having Washington lean on Taipei.</p>

The Ticking Time Bomb of Competing Chinese and Taiwanese Nationalisms

The "implicit accord of 2001" was built on shifting sand for several very important reasons. First, no movement had really occurred to reduce the mutually contradictory sovereignty claims of Taipei and Beijing. Most Chinese believed that Taiwan was an inalienable part of the motherland whose return was necessary to end the humiliation that Western and Japanese imperialism had brought to the nation. In direct contrast, most Taiwanese believed that they should make the final determination about their political nationhood and that China's ability to deny them normal international status (e.g., membership in the United Nations) was a new form of imperialistic humiliation.³¹ Thus, the possibility that new heated dis-

³¹Melissa J. Brown, *Is Taiwan Chinese? The Impact of Culture, Power, and Migration on Changing Identities* (Berkeley: University of California Press, 2004).



putes would erupt was quite high. Second, because the accord was only a tacit decision by both sides to "live and let live" for the moment without any explicit commitments by either side, its stability was certainly quite questionable. Third, as noted in the last section, both governments were subject to considerable nationalistic pressures which made them that much more likely to respond angrily to perceived challenges from the other. This was especially the case in Taiwan where President Chen Shui-bian and his pan-Green coalition often appealed to identity politics and Taiwanese nationalism as a means to mobilize their "base constituency."³² Finally, the very success of China's campaign to isolate Taiwan diplomatically that was intensified with the onset of the 1995-96 Taiwan Strait crisis increasingly alienated most citizens of Taiwan.

Indeed, the list of cross-Strait confrontations over the last ten years in table 4 shows that this relaxation of tensions only lasted about a year and did not constitute a noticeable break in the pattern of cross-Strait flare-ups. The "implicit accord" was shattered by Chen Shui-bian in a fairly radical shift from his conciliatory policy toward China in July 2002. He warned that Taiwan might "go its own way" and argued that there existed "one country on each side of the Taiwan Strait." This dramatic change in policy probably reflected several factors in Chen's thinking: frustration in the face of continued Chinese intransigence, growing self-confidence because of support from the Bush administration, and a desire to appeal to the pan-Green "base constituency." This set off what was becoming a familiar set of diplomatic interactions. China claimed that Taiwan was pushing the envelope on declaring independence; Chen Shui-bian (like Lee Teng-hui before him) declared that his new policy did not really alter the diplomatic status quo; and the United States tried to calm down both Beijing and Taipei.³³

³²Cal Clark and Janet Clark, "Parallels in the Political Dynamics in Taiwan and the United States," *American Journal of Chinese Studies* 12, no. 1 (June 2005): 103-24.

³³John F. Copper, *Taiwan's 2004 Presidential and Vice Presidential Election: Democracy's Consolidation or Devolution?* (Baltimore: University of Maryland Series in Contemporary Asia Studies, 2004); Shelley Rigger, "Taiwan in 2002: Another Year of Political Drought

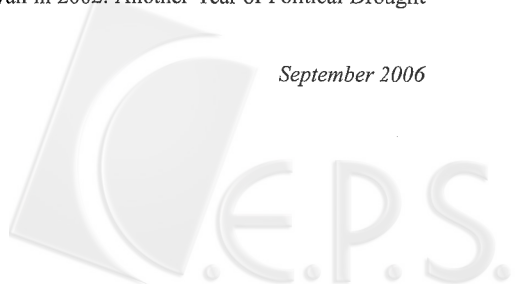
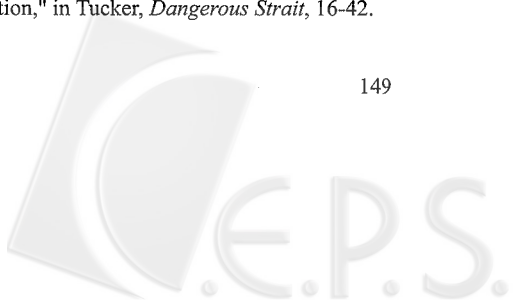


Table 4
Challenge and Counter-challenge Across the Taiwan Strait

Date	Event
1995-96	China's "missile diplomacy" in response to Taiwan President Lee Teng-hui's visit to Cornell University
1999	Lee Teng-hui's concept of "special state-to-state relations"
2000	Chinese Premier Zhu Rongji threatens Taiwan voters against electing a pro-independence candidate; after election PRC demands Taiwan accept "one China" principle
2002	President Chen Shui-bian of Taiwan warns that Taiwan "will go its own way" and states that there is "one country on each side of the Strait"
2003-04	Chen Shui-bian's presidential campaign appeals strongly to Taiwanese nationalism: holding a referendum; plan for a new constitution; and February 28th hand-in-hand rally
2005	PRC's Anti-Secession Law
2006	Chen Shui-bian orders the National Unification Council and the Guidelines for National Unification to "cease to function"

Once the presidential campaign began to heat up in late 2003, moreover, Chen's increasing appeals to Taiwanese nationalism confirmed the PRC's belief that he was a splittist who was quite consciously moving Taiwan toward independence. Two of Chen's appeals to Taiwanese nationalism were his plans to hold a referendum on policy toward China simultaneously with the presidential election in March and to institute major constitutional change and reform. Since the DPP had called for constitutional change and a referendum on creating an independent Taiwan, this certainly appealed to pro-independence forces in Taiwan, as well as infuriating China. However, there was much broader support in the electorate for constitutional changes and referenda aimed at surmounting the obvious problems in Taiwan's increasingly chaotic polity. Thus, there

and Typhoons," *Asian Survey* 43, no. 1 (January 2003): 41-48; and Shelley Rigger, "The Unfinished Business of Taiwan's Democratization," in Tucker, *Dangerous Strait*, 16-42.



was some ambiguity about what Chen actually intended to do in these areas.³⁴

There was no ambiguity, however, about the high point of the pan-Green campaign: the "February 28th hand-in-hand" rally that was held "to protest China's military threats and to give the world a clear message that the people of Taiwan want peace, not war." The rally involved a human chain of an estimated two million people that stretched from the north to the south of Taiwan, with Chen Shui-bian and Lee Teng-hui clasping each other's hands in Miaoli County (苗栗縣) in the middle. The huge rally was highly symbolic. It was held at 2:28 p.m. on February 28th, thereby commemorating the killing of an estimated 10,000 to 20,000 Taiwanese by KMT forces in 1947. In addition, it was modeled on a 1989 human chain in what were then the Baltic republics of Estonia, Latvia, and Lithuania in the Soviet Union, protesting the Soviet occupation of what are now three independent nations. The implicit calls for "ethnic justice" internally and independence from China externally, therefore, were far from subtle.³⁵

Much of 2004 appeared to be building toward increased confrontation across the Taiwan Strait. Chen's narrow victory in Taiwan's 2004 presidential election certainly was not viewed positively in Beijing. Moreover, while he again sounded conciliatory in his inaugural speech, Chen and the DPP again appealed to Taiwanese nationalism in the run-up to the December elections for the Legislative Yuan (立法院). For its part, the PRC added considerably to the cross-Strait tensions by moving forward with the passage of an Anti-Secession Law (反分裂法) that gave the force of law to its oft-repeated threats against Taiwan.

Yet, politics within Taiwan and between China and Taiwan soon interacted to reduce cross-Strait tensions, albeit in a somewhat inconsistent manner, as summarized in table 5. First, the pan-Blue coalition retained its

³⁴Copper, *Taiwan's 2004 Presidential and Vice Presidential Election*; Shelley Rigger, "New Crisis in the Taiwan Strait," *Foreign Policy Research Institute E-Notes*, 2003; and Rigger, "Unfinished Business."

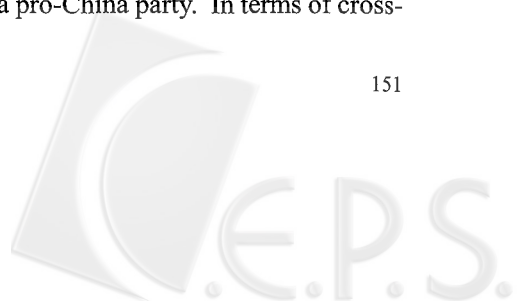
³⁵Yun-ping Chang, "Two Million Rally for Peace," *Taipei Times*, February 29, 2004, 1; and Copper, *Taiwan's 2004 Presidential and Vice Presidential Election*.



Table 5
Moderation in Taiwan after the Legislative Elections

Event	Consequences
December 2004, pan-Blue coalition retains narrow majority in elections for the Legislative Yuan	Chen and Green bloc fail to gain power needed to change Taiwan's status
January 2005, agreement to permit direct flights across the Strait for Chinese New Year	Taipei and Beijing find a way to "do business"
January 2005, Frank Hsieh becomes premier and advocates a policy of "coexistence" with the Blue-controlled Legislative Yuan	Chen and pan-Greens evidently hope to de-escalate hostility with opposition parties
February 2005, President Chen and James Soong of the PFP (who is widely seen as pro-China) conclude a ten-point "consensus" on cross-Strait relations and ethnic reconciliation	Cooperation with opposition leader on other end of the spectrum on national identity issues
Late spring 2005, opposition leaders visit China	Tensions in cross-Strait relations relax after threat of the PRC's Anti-Secession Law, but President Chen excluded
December 2005, pan-Blue wins local elections	Widely seen as endorsing less confrontational approach to cross-Strait relations

narrow majority in the Legislative Yuan in the December 2004 elections—which effectively kept President Chen and his Green bloc from gaining the power to change Taiwan's international status. Second, President Chen Shui-bian's response after the legislative elections was to become more conciliatory toward both the opposition in Taiwan and to the very suspicious Chinese leadership in Beijing. He appointed Frank Hsieh (謝長廷) as his new premier; and Hsieh announced that he would pursue a policy of "coexistence" with the opposition-controlled legislature (which got little, if any, reciprocation). More spectacularly, Chen negotiated a ten-point "consensus" on cross-Strait relations and ethnic reconciliation in Taiwan with James Soong (宋楚瑜), the leader of the People First Party (PFP, 親民黨) which was generally seen as a pro-China party. In terms of cross-



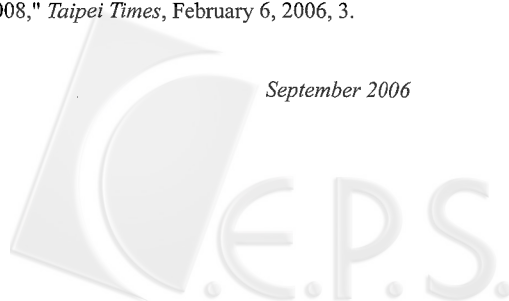
Strait relations, moreover, Taiwan's Civil Aeronautics Administration and China's Civil Aviation Administration, meeting in Macau, agreed on a series of direct flights between China and Taiwan for the Chinese New Year. Third, the pan-Blue leadership got into the act of dampening down cross-Strait tensions later in the spring of 2005 when KMT Chairman Lien Chan (連戰), PFP Chairman James Soong, and several others made highly publicized pilgrimages to Beijing. Here, however, China's continuing refusal to talk with President Chen represented a significant obstacle to improving cross-Strait relations because it punished rather than rewarded Chen for becoming more conciliatory after the 2004 legislative elections. Finally, the strong victory of the Blue bloc in the December 2005 elections for county executives and city mayors was seen as representing popular support for a more conciliatory policy toward China.³⁶ Thus, despite China's passage of its inflammatory Anti-Secession Law in March, cross-Strait relations at the end of 2005 appeared to be fairly stable and peaceful.³⁷

However, this momentary stability was again challenged in the spring of 2006. Chen Shui-bian evidently concluded that the Green's loss in the December 2005 elections was the result of the alienation of his base constituency, by such actions as flirting with James Soong. In the words of one of his national policy advisors, Chin Heng-wei (金恆煒): "The DPP suffered a major setback in last December's elections because it lost many of its 'core supporters' by trying to court middle-of-the-road voters.... The core supporters ended up not voting because they thought that Chen was not being loyal to them and they wanted to teach the party a lesson."³⁸ Consequently, Chen took a more aggressive stance toward China. In particular, his speech for Chinese New Year threatened to abolish the National Unification Council and Guidelines for National Unification, in-

³⁶For a much more detailed description, see Cal Clark, "Taiwan Enters Troubled Waters: The Elective Presidencies of Lee Teng-hui and Chen Shui-bian," in *Taiwan: A New History*, ed. Murray A. Rubinstein, second edition (Armonk, N.Y.: M.E. Sharpe, 2006).

³⁷Bonnie Glaser, "Sino-U.S. Relations: Drawing Lessons from 2005," *PacNet* 4 (February 2, 2006), <http://www.cis.org/pacfor>.

³⁸"Advisor Predicts Su-Tsai DPP Ticket for 2008," *Taipei Times*, February 6, 2006, 3.



licated that he "would like to see the nation join the United Nations under the name of Taiwan," and said that he wanted to draft a new constitution by the end of the year that would be approved in a popular referendum.³⁹ He subsequently turned his words into action on the one of these issues that he had direct power over by announcing that the National Unification Council and Guidelines for National Unification had "ceased to function" on the highly symbolic day of February 28th.⁴⁰

*The Bush Policy toward China and Taiwan:
From "Lean to One Side" to Dual Deterrence*

The Bush administration's policy toward China and Taiwan has undergone a subtle and yet fundamental transformation, as summarized in table 6.⁴¹ Bush's initial policy might be called (with apologies to Mao Zedong [毛澤東]) "Lean to one side"—in this case toward Taiwan and away from China. The PRC was redefined from a potential strategic partner to a strategic competitor, while Taiwan was seen as an exceedingly successful exemplar of the American values of democracy and free market capitalism. In addition to Bush's fairly dramatic implicit pledge to support Taiwan in the case of military attack, the Bush administration authorized huge arms sales to Taiwan, adopted a considerably more liberal policy on visits to the United States by Taiwan officials, and greatly expanded the military cooperation between the two countries that had begun late in the Clinton administration.⁴² Certainly, this constituted a pronounced Taiwan tilt, even after Sino-American relations improved in the wake of September 11th.

³⁹Shu-ling Ko, "Scrap Unification Guidelines, Chen Says," *Taipei Times*, January 30, 2006, 1.

⁴⁰Tim Culpan and Edward Cody, "Taiwan Scraps Council on Unity with China," *Washington Post*, February 28, 2006, A16.

⁴¹For a similar description of the shift in Bush policy see Bonnie Glaser, "Washington's Hands-On Approach to Managing Cross-Strait Tension," *PacNet* 21 (May 13, 2004), <http://www.cis.org/pacfor>.

⁴²Michael S. Chase, "U.S.-Taiwan-Security Cooperation: Enhancing an Unofficial Relationship," in Tucker, *Dangerous Strait*, 162-85; Sutter, "Evaluating the George W. Bush Administration's Policy Toward Beijing and Taipei"; and Tucker, "Strategic Ambiguity."

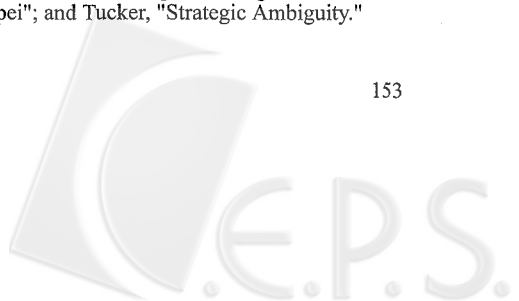


Table 6
Transformation of Bush's Foreign Policy toward Taiwan and China

Lean to one side, 2001-02

PRC seen as strategic competitor; Taiwan as exemplar of American values of democracy and capitalism

Strong early support for Taiwan: (1) implicit pledge of military support if the PRC attacks; (2) huge arms sales authorized; (3) much more liberal on visits of Taiwan officials to the United States; and (4) growing military cooperation and support

Somewhat more balanced after September 11th as the United States sought to have good relations with both governments

Dual deterrence, 2002-06

Goals:

Deter China from attacking Taiwan; deter Taiwan from declaring independence or needlessly provoking the PRC

Major deterrent actions aimed at Taiwan:

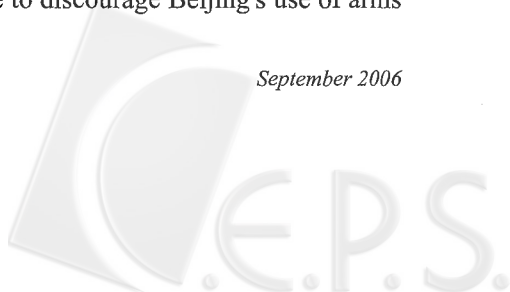
December 2003, Bush criticism of Chen Shui-bian during visit of Chinese Premier Wen Jiabao

October 2004, Colin Powell says, "Taiwan is not independent" during visit to Beijing

February 2006, envoys sent to Taipei after President Chen threatens to abolish the National Unification Council

May 2006, Deputy Secretary of State Robert B. Zoellick's statement that "independence means war" in U.S. Congressional testimony

President Chen Shui-bian's sharp shift in his policy toward China in the summer of 2002 that was heralded by his announcement of the concept of "one country on each side of the Taiwan Strait" brought a major re-appraisal of him and his government in Washington. Chen was seen as challenging the status quo in cross-Strait relations, thereby provoking China at a time when the Bush administration did not appreciate (to say the least) having another major foreign policy crisis added to its agenda. It responded fairly quickly by moving to a policy of what Gang Lin (林岡) has termed "double deterrence": "In other words, Washington has adopted a clearer strategy of double deterrence to discourage Beijing's use of arms



against Taipei and Taipei's movement toward *de jure* independence."⁴³ Robert Sutter's interviews with leading policymakers in Washington, for example, found a wide consensus that the administration had practiced deterrence against both regimes quite successfully and, thereby, avoided the crisis that seemed to be brewing in 2003-04.⁴⁴

Certainly, as the bottom half of the box on "Dual Deterrence" in table 6 indicates, Washington's deterrence was not just aimed at its "strategic competitor" China but also at its longtime ally Taiwan. For example, President Bush publicly rebuked Chen Shui-bian in a manner that went far beyond Bill Clinton's "Three No's" in Shanghai:

[T]he President told the press, as he stood beside Chinese Premier Wen Jiabao [溫家寶] in the Oval Office on December 9, 2003, that "the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally to change the status quo, which we oppose." Further, the president not only failed to correct Wen's statement that Bush had said he opposed Taiwan independence, but actually nodded in agreement.⁴⁵

More broadly, U.S. officials during 2003-04 stressed time and again to their counterparts in Taipei that America's security guarantees, implicit or explicit, did not constitute a blank check for provoking Beijing.⁴⁶

The diplomatic tangle in early 2006 that resulted from President Chen Shui-bian's Chinese New Year's speech announcing plans to abolish the National Unification Council (NUC) and the Guidelines for National Unification provides an excellent illustration of American policy in this new era. The NUC had been formed in 1990 and the Guidelines in 1991 as part of what David Lampton felt to be a conscious strategy by President Lee Teng-hui to placate the PRC without making any binding concessions: "This obviously is a sophisticated strategy in which one reassures Beijing of presumed long-term intentions to reunify at the same time one reassures the Taiwan populace that this is not going to happen in any fore-

⁴³Lin, "Traversing the Dangerous Waters," 268.

⁴⁴Sutter, "Bush Administration Taiwan Policy."

⁴⁵Tucker, "Strategic Ambiguity," 204.

⁴⁶Sutter, "Bush Administration Taiwan Policy."



seeable future."⁴⁷ Obviously, this strategy had been made passé by the 1995-96 missile crisis, and the NUC had been generally forgotten. During the 2000 presidential campaign, though, the PRC charged that its abolition would be a step toward Taiwan independence. In response, Chen Shui-bian included a promise not to abolish it in the conciliatory "Five No's" of his inaugural speech.

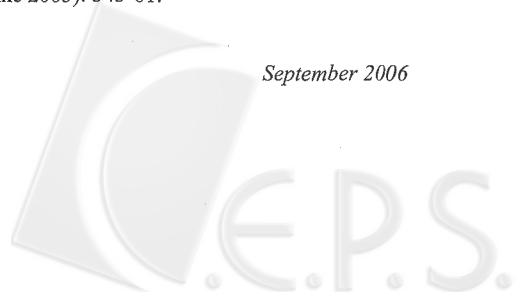
As noted in the previous section, the driving force behind Chen's plan to abolish the NUC was almost certainly domestic Taiwanese politics as he was widely seen as trying to invigorate his "base constituency" among Taiwanese nationalists. In addition, though, he could with some justification claim that he was responding to Chinese provocations in the form of the 2005 Anti-Secession Law and Beijing's refusal to talk with him or his government, while it was courting numerous other Taiwan leaders. The response to Chen was predictable. China fumed but in a perhaps surprisingly muted manner. For example, President Hu Jintao (胡锦涛) denounced the termination of the NUC as a "grave provocation" and as "a dangerous step on the road toward Taiwan independence." However, he did not issue any direct military threats, although the PRC used the expansion of its military budget to send the message that it would never permit Taiwan to secede from China.⁴⁸ This probably reflected the counterproductive effects of Beijing's earlier attempts to intimidate Taiwan that had led it to switch to a strategy of "utilizing the U.S. to suppress Taiwan."⁴⁹

The Bush administration evidently harbored at least some desire to "suppress Taiwan." The president himself was reportedly angered by Chen Shui-bian's initiative; and two officials from the National Security Council and State Department were dispatched to Taipei to try to dissuade Chen

⁴⁷David Lampton, "Commentary," in *Taiwan in World Affairs*, ed. Robert G. Sutter and William R. Johnson (Boulder, Colo.: Westview, 1994), 266-67.

⁴⁸"Beijing to Bolster Military Training to 'Defend Territory,' Chinese Official Says," *Taipei Times*, March 7, 2006, 1; "Hu Urges Military to Bolster Its Capabilities," *ibid.*, March 13, 2006, 1; and Joseph Kahn and Keith Bradsher, "Beijing Accuse Taiwan Leader of 'Grave Provocation,'" *New York Times*, March 1, 2006, <http://www.nytimes.com>.

⁴⁹Chen-yuan Tung, "An Assessment of China's Taiwan Policy under the Third Generation Leadership," *Asian Survey* 45, no. 3 (May/June 2005): 343-61.



from roiling the waters in the Taiwan Strait. Yet, the Bush administration also evidently felt some sympathy for Chen's need to rally his supporters at home and to respond to China's refusal to deal with him. Moreover, the U.S. government seemed to be moving toward taking a harder line toward the PRC because of its ongoing military modernization and huge trade surplus with the United States. Consequently, the United States and Taiwan worked out compromise wording that the Guidelines for National Unification would "cease to apply" and that the NUC would "cease to function." This was interpreted by America as "freezing" rather than "abolishing" the NUC and Guidelines and, thus, as not breaking Chen's pledge in the "Five No's." The importance that the American government attached to this interpretation was indicated by its displeasure when several Green leaders (but not Chen) subsequently claimed "victory" in "abolishing" the NUC.⁵⁰

This was followed in May by open controversy between Washington and Taipei over granting President Chen a "transit stop" in the United States on his way to Central America that culminated with Deputy Secretary of State Robert Zoellick openly criticizing Chen and warning that "independence means war" in Congressional testimony.⁵¹ While the ongoing strains in U.S.-Taiwan relations in the spring of 2006 raised some fears in both Taipei and the U.S. Congress that American policy was tipping toward China, Sino-American relations were far from smooth either. For example, the April summit between presidents George W. Bush and Hu Jintao in Washington did not go all that well, as Hu was not given the state dinner he wanted, significant disagreements between the two leaders were evident, and China was mistakenly referred to as the "Republic of China."⁵²

Yet, by the summer of 2006 both U.S.-Taiwan relations and cross-Strait relations in general had become more tranquil. At a meeting between

⁵⁰Shu-ling Ko and Charles Snyder, "Chen Says the NUC Will 'Cease'," *Taipei Times*, February 28, 2006, 1; Charles Snyder, "NUC 'Episode is Closed,' US Says," *ibid.*, March 1, 2006, 3; Charles Snyder, "U.S. Officials Hint at Meeting with Chen," *ibid.*, February 24, 2006, 1; Nadia Tsao, "U.S. Officials 'Accept' NUC Compromise," *ibid.*, February 28, 2006, 3; and "U.S. Academic Warns about U.S. Frustration over NUC," *ibid.*, March 5, 2006, 3.

⁵¹Charles Snyder, "U.S. Congress Members Defend Chen," *Taipei Times*, May 12, 2006, 3.

⁵²Dana Milbank, "China and Its President Greeted by a Host of Indignities," *Washington Post*, April 21, 2006, A2.



President Chen Shui-bian and the director of the American Institute in Taiwan (AIT) in early June in Taipei, Chen reiterated his support for the "Four No's" (without the continuation of the NUC) that he had proclaimed in his 2000 inaugural speech. The State Department responded positively, tacitly acknowledging the reduction of the "Five No's" to the "Four No's" and, moreover, urged the PRC "to take parallel steps to fulfill its obligations for regional peace and stability, including by reaching out to Taiwan's duly elected leaders."⁵³ For its part, China appeared to be moving toward a less aggressive position as both diplomats and scholars began to note a subtle but significant change from demanding reunification to indicating acceptance of the ambiguous status quo as long as Taiwan does not make Hu "lose face" by irrevocably declaring independence. The Chinese evidently were satisfied with the prospect of a more accommodating Taiwan president after 2008, while President Chen indicated that Beijing and Washington should not be worried even by policy initiatives that cross the PRC's "red line," such as a new constitution that specifies Taiwan independence, because the pan-Blue-controlled legislature will prevent them from becoming law.⁵⁴

Theoretical Perspective

Just as in the 1990s, the competing nationalisms in Taiwan and China pushed the two governments toward open confrontation in the early years of the new century, in line with the theory that cross-Strait relations are, in fact, a "two-level game." This was certainly the case for Chen Shui-bian's shift toward a much more assertive policy toward Beijing in 2002 when he responded both to the PRC's intransigent policy toward his administration and to restiveness within his "base constituency" that he was not "standing up for Taiwan." The growing confrontation between Beijing and Taipei during 2002-04, in turn, pressured the United States to become active in

⁵³Ying-ying Shih, "President Chen Reiterates 'Four Noes' During Meeting with AIT's Burghardt," *Taiwan Journal*, June 16, 2006, 1.

⁵⁴Edward Cody, "China Easing Its Stance on Taiwan," *Washington Post*, June 15, 2006, A14. Interviews with scholars in Taiwan in July 2006 provided more detailed information about the evident return of stability to cross-Strait relations.



its "pivot role" in the Beijing-Taipei-Washington strategic triangle. In particular, the Bush administration implemented a policy of "dual deterrence" aimed at both sides of the Taiwan Strait. The effectiveness of this policy has been somewhat questionable, however, indicating that the theoretical strengths of the pivot position do not always emerge in practice. For example, Washington opposed both China's 2005 Anti-Secession Law and Chen Shui-bian's 2006 proposal to abolish the National Unification Council as potentially de-stabilizing the delicate balance in cross-Strait relations. Yet, all Washington's diplomatic efforts could achieve were minor changes in each. Consequently, American policy appears to be best described as "muddling through."

Muddling Through or Making a Muddle?

The Taiwan Strait could certainly become a very dangerous place. Certainly, there is no resolution to the fundamental dispute over sovereignty between Beijing and Taipei either on or perhaps even over the horizon. Both governments hold mutually contradictory and incompatible positions about Taiwan's sovereignty that are strongly and emotionally supported by most of their citizens. Both, moreover, are under pressure from nationalistic populations to promote these positions aggressively and to respond quickly and harshly to challenges from the other side. Consequently, the comfortable situation that existed for the first half of the 1990s when both Beijing and Taipei were willing to accept the diplomatic limbo of the status quo may no longer be tenable. Indeed, as Bonnie Glazer argues, both sides now define the status quo as encompassing their definition of Taiwan's sovereignty: that Taiwan is a sovereign nation (Taipei) or that it is an inalienable part of China (Beijing). Thus, many observers fear that China and Taiwan may be drifting toward confrontation or even war.⁵⁵

⁵⁵Horowitz, Heo, and Tan, "The China-Taiwan and Korean Conflicts"; and Tucker, "Strategic Ambiguity."



Still, the less pessimistic interpretation that the two sides have learned to live with each other and that cross-Strait relations are fairly stable strikes me as reasonable. For example, neither China's Anti-Secession Law in 2005 nor Taiwan's shutting down the NUC in 2006 really created much of a crisis atmosphere, despite what appeared to be significant threats to do so. Consequently, the Bush administration can credibly claim that the U.S. balancing role seems to be working tolerably well. Yet, the ability of the United States to manage cross-Strait relations can certainly be questioned. For example, as noted above, America's ability to modify either China's Anti-Secession Law or Taiwan's shutting down the NUC was quite limited, suggesting that American policy has been "muddling through." This raises the irony that "muddling through," which is not usually considered good policy, has produced fairly good results.

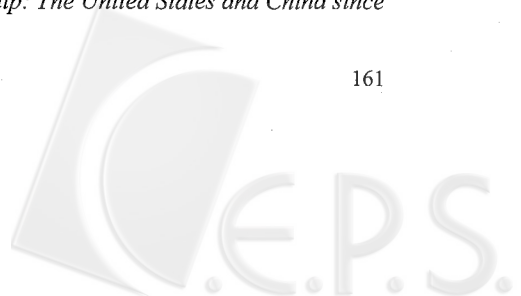
However, one can wonder whether "muddling through" in the short run may be creating the potential for creating a "muddle" (i.e., a mess) in the long term. The positions on Taiwan's sovereignty held by both the governments and most of the citizens in both China and Taiwan are mutually contradictory and totally irreconcilable. Furthermore, the situation in the Taiwan Strait is not inherently stable since both China's continuing military modernization and the rising centrality of identity politics in Taiwan threaten to escalate tensions once again. Consequently, letting the current ambiguous status quo drift along is certainly not without danger.

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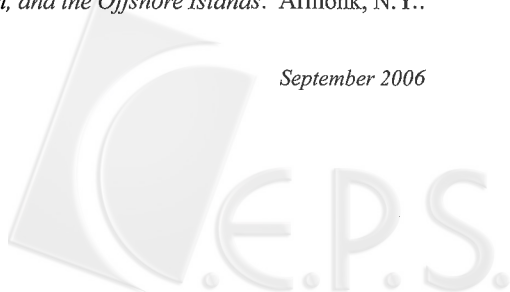
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