

# **The United States, China and Japan: A Not Too Romantic Triangular Relationship and Taiwan's Search for Asymmetric Peace**

**Bih-jaw Lin**

*Professor & Vice-President, National Chengchi University*

## **Abstract**

This paper tries to examine the trends of future Washington-Tokyo-Beijing relations and see how Taiwan can cope with the new situation. Overall, the author argues that the newly formed triangular relationship looks fragile, but there is some continuity while mutual interests serve as the base for future stability. The concept of strategic eclecticism is used to explain the need for the three major powers in East Asia to maintain their cooperation, engagement and interaction, while, at the same time, continuing to compete, bargain and subdue their rivals in the international community or in the region.

The concept of containment is very familiar and deep in our memory, but it is not the correct term to predict or explain U.S. policy in this part of the world. Even the balance of power needs much re-examination to explain U.S. policy in face of a rising China in the information age when Washington and Tokyo consider likely measures to deal with the effects of anti-access and area-denial. Asia and the Pacific may become the land of the rising sun and the ocean of peace,

if the three major powers genuinely pursue a policy of strategic eclecticism. Taiwan, of course, will benefit from this trend, but it needs to take care of its relations with the three core states in East Asia. TIFA and TPP are the priority policy areas with the U.S. Fishing rights need to be negotiated with Japan. Trust and confidence await further consolidation internally and across the strait. If Taiwan can succeed in maintaining stability and prosperity for the foreseeable future, it will be an asymmetric peace, not war, for the first time in the history of China and international relations.

**Keywords:** Rebalancing, Pivot, Containment, Strategic Eclecticism, Asymmetric Peace

## I. Introduction

The process of the transfer of power has almost been completed in Washington, Beijing, Tokyo and Seoul, therefore, it is the perfect and correct time for us to look at the global and regional political landscape and see how the situation will evolve at least for the next 4 or 5 years. This is not only an important issue for Taiwan, but also for almost all countries in the region, as we enter an unprecedented era of opportunity, challenge, change and adaptation, not to mention the impact of the information age. What is in the minds of the new leaders in Beijing when they face territorial disputes with Japan? Will the Obama Administration continue a rebalancing policy in Asia and the Pacific? How can the delicate situation in the Korean Peninsula be maintained peacefully? All these and other questions are serious enough to keep the leaders of many countries awake at night and still be unable to find workable solutions.

## II. A Renewed American Containment of China?

If one listens to the policy rhetoric of the United States, one can easily draw an analogy between now and the immediate post-1945 period and get the impression of an emerging American intention to impose a containment of China. This is a very basic human behavior pattern, because we tend to use analogies to explain our current situation or justify our expectations.<sup>1</sup> China has risen militarily and economically and diplomatic history has clearly shown to us that a rising power tends to be expansionist. When the United States proclaimed its policy of rebalancing, keeping a military pivot, advocating a strategy of air-sea battle and pursuing an American century, the target was too clear to be identified. That target continues to grow.

Rhetoric alone cannot reveal the true policy intention of any country, big or small. We need to read between the lines very carefully and then examine actual foreign policy behavior. It is very delicate and sometimes we fall into our self-fulfilling prophecies. In order to reduce our mistakes, we probably need to note the differences in the process, structure, thinking and interest that exist between now and the post-1945 period. We are not so sure that the zero-sum game still shapes the policy of the three core states in Asia and the Pacific. There is no question that the U.S. will regard its relations with Japan as a special relationship, but its relations with China are equally important.<sup>2</sup> The reality for us to examine, ponder and calculate is that

---

1. Patrick Jackson, *The Conduct of Inquiry in International Relations: Philosophy of Science and Its Implications for the Study of World Politics* (London: Routledge, 2010); Stephen Turner & Paul A. Roth, eds., *The Blackwell Guide to the Philosophy of the Social Sciences* (Oxford: Blackwell, 2003).

2. Harry Harding, *A Fragile Relationship: The United States and China Since 1972* (Washington, D.C.: Brookings, 1992); Richard C. Bush, *The Perils of Proximity: China-Japan Security Relations* (Washington, D.C.: Brookings, 2010).

#### 4 Prospect Journal No.9

international relations and regional plus sub-regional interactions are becoming blurred. The most difficult job for any policy expert is how to define all the core states as enemies, rivals, competitors, partners, friends or allies. The friends and foes of the U.S. and the Soviet Union were clear and a demarcation line divided the world into two blocs, thus making the policy of containment possible. I wonder what strategy “Mr. X” will propose, if he wants to write another article for the Obama Administration. Is this the reason for Kevin Rudd to use “Beyond Pivot” as the title of his recent article in *Foreign Affairs*?

Indeed, containment is deep in the memories of so many theorists and practitioners, but in today’s world, we have good reason to doubt its feasibility and effectiveness. Even the policy of rebalancing is very different from the days of “Pax Britannica” and the strategy of air-sea battle not simply an extension of the previous land-sea battle. Strategic thinking and its map need a period of reflection and consultation. It is a mistake to see the U.S. in the 21<sup>st</sup> century as Britain in the 19<sup>th</sup> century and to draw a quick analogy and conclusion.

### III. If not Containment, then What?

It is worthwhile waiting until the U.S. President and his team have made up their minds. At least that is what the new leaders in Beijing, Tokyo and Seoul did. In general, it is in their common interest to maintain peace and stability in the region. It is more urgent than before to control and prevent crises. All the core states realize the risks of nuclear proliferation, military clashes and political tension. Even trade and other economic disputes have been treated as priority issues. The need for effective public diplomacy and effective communication among policy elites is widely recognized. It has become a new diplomatic norm in Asia and the Pacific, with exceptions in some countries, of course. For the countries which have used infor-

mation technology to tighten their control of society, how to take advantage of information technology is a two-edged sword, that is, it can be used to control and penetrate. We do not know when boomerang effects will occur.

As I observe the world and the region carefully, I have come to a very tentative conclusion, namely, the 21<sup>st</sup> century's eclecticism will probably combine traditional realism, liberalism and other theories or perspectives to become our guiding principle. Several scholars have argued the same and it particularly suits the policy environment of Asia and the Pacific.

We are too familiar with containment and the fall of the Soviet Union leads us to believe it was a success story. No one denies the military primacy which the U.S. possesses and its intention to use this power if necessary. The reality is, as global and national interests merge, political and economic factors sometime mix and public and private sectors overlap, policy practitioners either in the battlefield or at the negotiation table, will find it almost impossible to get their job done. National interest still predominates and every state is firm about its sovereignty. Nationalism is prevalent in China, but other forms of national pride, identity and consciousness can be easily seen in almost every part of Asia and the Pacific. Having said all of this, I need to emphasize that we are not living dangerously in an age of extreme, revolution or calamity. This is really an age of interdependence, innovation and caring. Machiavelli, Hobbes and Morgenthau are indeed very influential and so are Kant, Locke and Montesquieu. But they only lead us to think and the mental map or the inner world of every leader is very different. It is true that international terrorists and terrorism still exist and there are many kinds of threat to international and national security. Precisely for these reasons, there is a need for eclecticism, because no single theory or strategy can cope

with this age of uncertainties and surprises and this region of diversity and change.

As China's military modernization has gained rapid progress, many countries are deeply concerned the future of regional security. Again, the old concept of containment appears to be too static to deal with this age of military transformation or revolution in military affairs (RMA). During the cold war era, both the Soviet Union and China were separated from the West economically. Now, they are mutually integrated, as both Russia and China are members of the World Trade Organization (WTO). In this way, the WTO, not the U.S., can virtually "contain" them. Conversely, the U.S. also needs to comply with the regulations of the WTO. China is striving to sign Free Trade Agreements with its neighbors and so are the U.S., Japan and South Korea. This is a new game in international politics, not classic economic diplomacy.

No doubt, the U.S. intends to increase and buttress its military presence in Asia and the Pacific. Bilateral alliance systems have always been the core of its military posture. At the same time, the U.S. follows a practice of strategic reassurance to prevent crises with China. Indeed, over the years, we have seen the mutual efforts of Washington and Beijing to institutionalize their military relations, reduce the risks of miscalculation and enhance crisis management capability. Over the Senkaku or Diaoyutai islands' dispute, Washington has taken measures to manage the squabbles and made its position clear to both Beijing and Tokyo so as to avoid any spillover or escalation of the possible tension. This is exactly the application of strategic eclecticism in dealing with possible diplomatic crises in the region. China, Japan and Taiwan still need to handle this case with care, but the strategy of eclecticism has worked well to maintain a subtle balance during a time of power transfer in the three core states.

#### **IV. Asia and the Pacific: Still the Land of the Rising Sun and the Ocean of Peace?**

Making Asia and the Pacific contribute to the enhancement of peace and stability cannot depend on the U.S. alone, although it is the sole superpower in the region. Other core states can contribute to the maintenance of regional order and their roles are indispensable.<sup>3</sup> Through their help and support, the process of institution-building and agenda-setting can facilitate a sense of common sharing and like-mindedness. Being lands of rich culture and diversified civilizations, Asia and the Pacific have successfully avoided the clash of civilizations bluntly propounded by Samuel Huntington several years ago.

Several countries did experience terrorist attacks. However, in general, ethnic relations, social harmony and cultural interaction have made good progress over the years in Asia and the Pacific. The sense of Confucianism and Chineseness has been more and more acceptable to multi-racial communities in Southeast Asia and the scale and scope of democratization has gradually expanded. A convergence, not a clash of civilizations has emerged, thanks to the effects of communication, education, trade and human contacts. It is still farfetched to describe Asia as the land of the rising sun and the Pacific as the sea of peace, because the level of development is uneven and some internal problems remain very serious indeed. Nuclear proliferation, the arms race, territorial disputes and frustrated minorities can easily transform a land of stability into an area of tension and conflict. Not too long ago, the area was described as the killing fields. It is fortunate that we have transformed the battlefield into a market.

---

3. Kishore Mohbubani, *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* (New York: PublicAffairs, 2008).

It is instrumental, moreover, to compare the success of the Eastern hemisphere with the current financial crisis in Europe. The 1997 East Asian financial crisis was still fresh in our minds, but, quite unexpectedly, Europe has entered a period of uncertainty, anxiety and hopelessness. Although Japan has suffered economic stagnation or financial fatigue for several years, its society and economy are resilient. China, India and the ASEAN countries have shown different economic performances. In general, they are walking steadily down the road of development as emerging markets. It is an area of opportunity and expectation, albeit not yet a land of the rising sun. Much hard work remains to be done.

## V. The Rise of China and All That

After the 18<sup>th</sup> Party Congress and the 2013 People's Congress, a power transition in China has been duly completed. China's position as one of the dominant powers in Asian and world affairs looks certain. However, the newly developed triangular Washington-Beijing-Tokyo relationship looks fragile. Internally, China has faced both opportunities and challenges. Indeed, over the last 60 years or so, China has adopted a very unique system of leadership, transition of power and style of governance.<sup>4</sup> A new generation of leaders has inherited power with the support of the party, the military and the bureaucracy. A traditional system of democratic centralism will remain as a guiding principle to lead the new leadership to continue the policy of reform and opening up to the outside world, decentralizing power, and allowing emerging entrepreneurs to compete with many multinational

---

4. See, for instance, Ezra F. Vogel, *Deng Xiaoping and the Transformation of China* (Cambridge, Massachusetts: Harvard University Press, 2011); Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (London: Penguin, 2009).



companies in the world market. The new leadership appears to realize the need for the rule of law, accountability, transparency and effective measures to deal with corruption.

One can easily get the impression that the Xi Jinping administration has received firm support from the military, thus giving former President Hu the confidence to retire from the position of chairmanship of the military commission. The intra-party power struggle, if any, has probably been solved. During the initial period of Xi's leadership, the new "king" needs to consolidate his power base with the blessing of the party and the military. For this reason, the new leadership will be firm on sovereignty or probably appear even more hawkish than the previous administration, because he cannot and should not look weak in the minds of the 1.3 billion people. In actual foreign policy, China has good reason to be prudent.

Chinese military modernization or transformation, to be more precise, will continue and move even faster than before. This has been the long tradition of the Chinese leadership—political power comes from the barrel of a gun. This principle does not need any elaboration. The questions that have been asked by keen observers outside China are several: does the leadership intend to exercise its military muscle? If so, we naturally ponder where, when and how? Beijing has already used its coercive diplomacy in July 2012 in Cambodia and reacted strongly and firmly to the sovereignty claims dispute over several islands in East Asia and in the South China Sea. For the first time in the history of Chinese military diplomacy, Beijing has used its hard power to serve a political, not military, purpose. In the winter of 2012-2013, the Chinese used their military power to satisfy their political agenda, that is, to affect the status quo, but not to disrupt the existing political order. Beijing clearly wanted the U.S. and Japan to know that it, too, has a vital interest in shaping regional

## 10 Prospect Journal No.9

and sub-regional security. By extension, policy analysts naturally ask whether China will use coercive diplomacy in the South China Sea? What role or new role will China play in the Korean Penin-sula in the light of the power transition in Beijing? How will the new leadership respond to the American policy of rebalancing and consolidating itself as a pivot in Asia and the Pacific?

It is very unlikely for the new leadership to pursue a unilateral, ideological or hegemonic foreign policy, despite the three core states all adopting the same offensive realism approach. Formation of the G3 appears very remote and therefore the so-called G0, that is, no formal multilateral mechanism among the U.S., Japan and China, will continue to function for some time to come. We do not know whether a traditional balance of power will return to this part of the world. If the U.S. and Japan intend to pursue this policy, the likely theater of operation will be difficult to define, because today's China is very different from the Soviet Union or France on the European continent during the Napoleonic era. China has expanded over the region and indeed goes as far as the Middle East and Africa. No one knows how many Chinese are now working in the South Pacific and Africa. I am not arguing that the Chinese workers, engineers, grocers or expatriates will serve as the new fifth columnists in the 21<sup>st</sup> century. However, the simple reality is that the Chinese have stretched out and, if Washington and Tokyo want to make a traditional balance of power possible, they need new strategic thinking for a start. We can assume that since the three major powers are militarily powerful and realize the cost of any war—be it nuclear or conventional—they will be cautious at embarking on this traditional path of statecraft, although national honor, integrity and pride are at stake. Domestically, they all have a long policy agenda to deal with. The security risks, if any, will come from within: a young or waning leadership, economic and social challenges and a widening income gap between rich and

poor. China is facing various urgent problems of rapid urbanization and the United States and Japan need to put their internal affairs in order. The scale and the scope are different.

It is wrong to overemphasize the rise of China and its belligerent strategic culture. It has become almost a habit to draw an analogy between imperial powers and China in terms of military expansion. As many historians have warned us, the differences are probably more instrumental in reaching a proper understanding of history than the similarities. If we all agree that China has indeed risen, this is its fifth or sixth rise to prominence in its long history, even though scholars disagree among themselves on the exact definition of "rise". China still lags far behind the U.S. in the military and many areas of higher education and public service. Indeed, China is probably second after the Soviet Union in so powerfully demonstrating its military strength and so vividly revealing its social discrepancies to the outside world. This could be a guardrail that prevents China from taking reckless military measures abroad, but, at the same time, it could provide a rationale for the leadership to seek military glory to solve domestic problems. There are many precedents and China would not be the first country to do so.

## VI. To Balance or Not To Balance

Balancing power has been a common practice in maintaining order in international relations for many centuries. Facing the rise of China, thinking about this option is a natural response for the U.S. and other major powers. However, we need to consider the different structure and process of today's international system in which the U.S. and China operate. The first factor is the increasing tide of interdependence which makes U.S.-China relations complex, intertwined and engaged in a non-zero sum, at least in several non-political

## 12 Prospect Journal No.9

and non-traditional security areas. In the old Europe, political and economic boundaries were clear-cut, so the system of balance of power was easy to implement. Britain, therefore, could openly claim that she did not have any permanent enemies or friends, only permanent national interests. Indeed, many countries still follow this long diplomatic tradition, but no one will doubt that the U.S., and Britain or the U.S. and Japan, do enjoy a special relationship, and more importantly, societal linkages among the U.S., Japan and China have all changed. How many Chinese students are now studying in the U.S. and Japan? And, equally, how many American and Japanese businessmen and experts are now working in China? This is a power shift or transformation which, inevitably, decreases the effectiveness of a traditional balance of power.

The second factor are the structural changes in the international system itself. The calculation of power was much simpler and more straightforward in the past. Then, military power dominated the main thinking of all the major powers. The concept of soft or smart power hardly existed. The goals of foreign and security policies were clearly defined. This applied to the distribution and use of power. The “Concert of Europe” or the politics of the great powers functioned in a predictable, calculated and self-centric manner among 5 or 7 major powers. Small states naturally became the buffers while the major powers played as the balancers or the pivots. Between now and the foreseeable future, the U.S. is likely to remain the sole military superpower. Will she become the sole pivot in Asia and the Pacific? We do not know how the balance of power will effectively function in an age of anti-access and area-denial.

The third factor is the impact of the information age. This represents the new millennium, in which norms, policies, languages and behavior patterns will not be the same. Its consequences are pro-

bably more far-reaching and powerful than those in the age of great discovery. We are still studying how it has affected the military, diplomacy, politics and society. The dilemma is that information technology is dynamic, fluid and advanced, and, yet, the system of the balance of power remains firm as a tradition and a common practice. When a major power, or even a small power, confronts an emerging threat to its national security and survival, it is almost impossible for it not to think about the balance of power. The system exists; it is certain that any elaboration will become a tautology. The U.S. will try to balance the expansion of a perceived threat, but the ways to achieve this goal vary. It is very unlikely that previous or historical practice will be repeated in Asia and the Pacific. All possible options will be considered just as other industrial democracies implement their foreign policies. A strengthened relationship with Australia, India, Japan and ASEAN as a whole indicates that the classic concept of geopolitics remains lively in the minds of policy-makers in Washington. Actual policy guidelines and programs of action will reflect this thinking.

Is it possible for the U.S. to adopt a multilateral approach reminiscent of the 1922 Washington Conference? Another example is the Australian version of the Conference of Security and Cooperation in Asia (CSCA). The East Asian Summit (EAS), ASEAN and the ASEAN Regional Forum (ARF) can also be gradually transformed to serve this purpose. We should bear in mind that the U.S. in 1922 was widely regarded as a neutral, but well-respected balancer which had advocated an open door policy for China. Today's U.S. is deeply involved in Asian affairs with a comprehensive alliance system—the San Francisco System. This changing role certainly affects its impartiality, if the U.S. has a multilateral approach in mind. The proposed CSCA, the EAS, APEC or the ARF all have different agendas. Can we find an honest broker or a neutral balancer to start the Helsinki process in

Asia and the Pacific? This will be a very long road to travel, if any country or politician wants to take up the challenge.

As the Eastern hemisphere changes, no matter how much European or North American experiences have been transplanted, the soil of Asia is still an unknown territory for Western diplomacy. Indeed, indirect balancing, the European Union's civilian balancing, soft balancing or off-shore balancing await further study. Before we embark upon this academic venture, we need to consider all the changes at the national, regional and international levels. The rise of China is unique in many ways. We can hardly compare China with Nazi Germany or the Soviet Union. The primacy of the U.S. exists and will continue to exist, no matter how we calculate its power. It appears that two pillars of U.S. policy have emerged in this great landscape—the security pillar of rebalancing and the economic pillar of the *Trans-Pacific Strategic Economic Partnership (TPP)*. The region of Asia and the Pacific has developed its rules, codes, norms and regimes. The ASEAN Way, the Beijing Consensus, the emerging markets, the BRICS and APEC II reflect this general trend. Globally, the realities of globalization, interdependence and a transnational economy have made it unpractical to apply the balance of power, no matter how successfully the British and other European seasoned diplomats have shown it to be.

I have repeatedly argued that new thinking is needed, simply because the new balance of power has transcended the geographic boundaries of nation-states. We only need to pay attention to the fact that the formation of military alliances between or among nations has declined since the end of the cold war. The ARF, the EAS and the Shanghai Cooperation Organization (SCO) are not military alliances. We do not know whether countries in this part of the world are prepared to learn from the experience of the Organization of

Security and Cooperation in Europe, the Organization of African Union and the European Union. Global realities of today may lead us to view the balance of power as a balance of interests, values, perceptions and, above all, the intention to use military forces to achieve national goals. No major power can rely solely on military strength to gain submission from other countries and retain its primacy in the international system. Americans need to think deeply, broadly and highly about their rebalancing policy in Asia and the Pacific. China, Japan and other core states need to do that, too.

## VII. Japan' Relevance and Resilience

In America's search for a new rebalancing policy in Asia and the Pacific, Japan's role is critical. U.S.-Japan security ties link the two countries together, virtually creating a long strategic bridge over the Pacific. It is probably too farfetched to compare this with the Anglo-American special relationship, but the strategic purposes and functions are not too different. A network of bilateral alliance systems together with the British security ties with Australia, New Zealand, Singapore and Malaysia form the backbone of the American military presence in the region, not to mention various "Track II" dialogues in the security area.

Japan's relations with the U.S., China, South Korea, Taiwan and the ASEAN countries plus India and Australia confirm the usefulness of traditional geopolitical thinking. The arrival of the information age does not render the concept of political geography invalid. The stability of the Korean Peninsula, the East China Sea or the Western Pacific as a whole and the South China Sea plus South East China and South Asia cannot be maintained without the participation of Japan. Japan's foreign and security policy has remained consistently positive and proactive, despite its domestic dilemma. Non-traditional

security areas have opened up new opportunities for Japan to contribute its experience and knowledge to other core states in the region. In the areas of public policy, good governance, science and technology and a creative-economy, Japan's relevance in theory and practice cannot be ignored. This is the reason why, although Japan and China and Taiwan have experienced some tension over disputed islands, professional, social and functional linkages are bound to continue. Japan's society, bureaucracy and education have indeed undergone significant adaptations in the last two decades. Bureaucratic inertia, financial fatigue and an aging population no doubt stand as the main barriers against effective reform and innovation as in other industrial democracies. However, there are many signs of silver lining in the cloud suggesting that we need to rediscover Japan. This also applies to China, India, Vietnam, South Korea and many countries in the Asian region. Japan, in particular, will not float in the Pacific, because she was and still is the linchpin of global and regional security. It is well expected that Japan will join the TPP soon to complete the circle for the American new strategic outlook. Details remain to be negotiated, of course.

### **VIII. Cross-strait Relations: Consolidating Mutual Trust and Confidence**

How do cross-strait relations fit into this broad strategic landscape? Does Taiwan matter in the security calculations of the three major powers? It is a very different matter for China, but the U.S. and Japan have monitored cross-strait relations since 2008 closely.<sup>5</sup> For Taiwan and the mainland, blood is thicker than water. Apart from that, cross-

---

5. Richard C. Bush, *Untying the Knot: Making Peace in the Taiwan Strait* (Washington, D.C.: Brookings, 2005); Richard C. Bush, *Uncharted Strait: The Future of China-Taiwan Relations* (Washington, D.C.: Brookings, 2013).



strait relations have brought profits, opportunities and challenges. In theory, we can, and should, separate politics from the economy and, furthermore, we ought to do so to control any possible damage or threat to Taiwan's national security, while developing relations with the mainland, which has not denounced the use of force against the island or formally accepted mutual non-denial of separate jurisdictions between the two sides of the Taiwan strait. In reality, politics has always been an invisible hand in cross-strait relations, not to mention the market that has produced so many sources of profit and opportunities, disputes and bankruptcies to Taiwan businessmen. The cross-strait issue is a very unique type of relation in the history of China and in international relations. We do not know how many Taiwanese citizens now live in the mainland as permanent residents nor how many Taiwanese students study in Chinese universities on the mainland. No one can be certain how much Taiwanese investment has flowed into the mainland market. Ironically, the same amount of money is needed to upgrade the defense capability of Taiwan, if Beijing does not change its policy toward the island and the U.S. is prepared to reconsider its arms sale policy. All in all, both sides of the strait have enjoyed probably the best relations since 1949. A diplomatic *modus vivendi* or peaceful co-existence has been present since 2008. Beijing and Taipei have participated together more and more in international activities, although Taiwan on some occasions needs to use the name 'Chinese-Taipei'. In the foreseeable future, both sides of the strait will continue their negotiations to complete the package of the *Economic Cooperation Framework Agreement (ECFA)* and other related documents to enhance economic and functional relations. The countries and regions of the sub-regional economic and political order have gradually transformed to become "National Economic Territories (NET)" as Robert Scalapino described it several years ago. I hope that Thomas Friedman's "Dell theory of conflict prevention" can really work to make the Taiwan strait an area of peace and prosperity.

All of these developments are based on the mutual trust and confidence that has developed over the years. We should not forget that opening up to the mainland started in 1987 and people-to-people contacts and exchanges have harbored enough private interest and understanding to buttress official contacts since 2008. How to keep a distance between politics and economics and for how long is a major challenge for the government and society in Taiwan. The status quo is a common phrase, but the critical question is if we can really maintain it. The second challenge is how the private sector will react when personal and private interest contradicts the public and national interest. How can the government deal with this? As the private sector depends more and more on the Chinese market, Taiwan businessmen will seek other areas of investment as protection for their interests. Vietnam, India, Indonesia, Thailand and Myanmar naturally come to their minds. The mainland market still has its natural attraction, notably its language and culture. But, we need to bear in mind that the mainland market has become more and more competitive and the environment for investment may have changed compared with the conditions 20 years ago. Many Taiwan investors need to deal with new industrial disputes and other social issues. The cost of running business in the mainland market undoubtedly has risen.

What matters in regional and sub-regional security are the increasingly close cross-strait relations and their likely impact on Japanese and American national security. It is still difficult for the policy community to come out with a clear and correct analysis. In general, stability in the Taiwan strait will make it possible for the U.S. and Japan to handle other security issues. Now, China and Japan have experienced new tensions in the area close to Taiwan. In fact, Taiwan is one of the territorial claimants and, therefore, a possible, but unlikely Taipei-Beijing cooperation against Tokyo has become one of the scenarios for the policy community to study carefully.

Taiwan will naturally insist on its independence in handling this issue, because it hurts its interests to collude with the other side of the strait against Tokyo. The issue of sovereignty is difficult, almost impossible, to solve. What will serve the interest of Taiwan and Japan best is the protection of fishing rights for the two countries. Taipei and Tokyo will deal with this issue first.

It is still uncertain how far cross-strait relations will go. Taipei has kept a careful distance between politics and economics. If the Xi administration pushes for political dialogue, then, future prospects look unpredictable. In order to protect its interests, Taiwan, at least, needs to consolidate its internal trust and improve relations with the U.S. and Japan, howsoever it decides what to do with political dialogue or negotiation with Beijing. Taiwan is not Britain or the U.S., how can she deal with Beijing in any political dialogue or negotiation alone?

### **IX. Taiwan and the TPP: A Bridge Too Far and Yet So Close**

Taiwan needs the blessing and support of the U.S. and Japan to maintain a balanced triangular Washington-Beijing-Taipei or Tokyo-Beijing-Taipei relationship. It is clear to us that the U.S. will increase its military presence, diplomatic engagement and economic interaction with Asia and the Pacific. The U.S. and China will manage their mutual relations with a sense of strategic eclecticism, although squabbles, tensions and disputes cannot be easily ruled out. The U.S. and Japan have enjoyed a special relationship for a long time and need to find a new common path to rebalance Asia and the Pacific. Strategic eclecticism will also apply to their joint efforts.

It is a new diplomatic *modus vivendi* for Taiwan in international affairs. Indeed, cross-strait relations in the early part of 2008 and

2009 caused some apprehension and misunderstanding in Washington and Tokyo, but, as communication and transparency increased, a compatible and reassuring assessment gradually emerged. The U.S. continues to emphasize its intention of maintaining peace and stability in the area, while urging the two sides to keep up with peaceful dialogue and engagement. Although the policy community has begun to urge the U.S. government to reconsider its policy toward Taiwan, Washington rules out such reconsideration.

Calculating the American strategic interest very carefully, one might reach the conclusion that the U.S. would like to preserve a stable Western Pacific under its naval control. As cross-strait relations develop, Beijing becomes more and more assertive in the South China Sea and the East China Sea, defense intellectuals have good reason to believe that the U.S. intends to avoid a strategic miscalculation and that it will adopt effective measures to deal with the results of anti-access and area-denial imposed by Beijing in the Western Pacific. It is in Taiwan's interest to show to the U.S. that the current cross-strait stability will contribute to further institutionalization of a peace-building process and lead to the avoidance of possible miscalculations. Economically, Taiwan needs to complete ECFA negotiations with the mainland, and restart the Trade and Investment Framework Agreement (TIFA) with the U.S. There is a possibility for Taiwan to join the TPP, if all the negotiations and the liberalization of Taiwan's economic structure work out as planned. There is a long economic road before Taiwan reaches its final goal. Equally, the political path will be tortuous for Taiwan if political dialogue and negotiations with the mainland start. The timetable is uncertain, but it makes sense for Taiwan to consider joining the TPP first and start political dialogue, that is, formal political consultations with the mainland. Taiwan will not push itself into a situation in which Taipei needs to choose between Beijing and Washington.

## **X. Taiwan's Search for Its Role: An Asymmetric Peace**

How can and should Taiwan cope with the emerging triangular relationship in East Asia? As long as Taiwan can keep enough flexibility, sensitivity and adroitness, it will not walk into a dead lane or paint itself into the corner. Because of the scale and the scope of statecraft, Taiwan is a natural buffer such as other small states in the past. Geography, international politics and economics and other immediate national interests of different core states in East Asia form the buffer for Taiwan. However, how to deal with the mainland and the two major powers—the U.S. and Japan—is the top priority issue for Taiwan to ponder and calculate. Like any member of international society, Taiwan should make efforts to safeguard its fundamental principles, retain a sufficient capability to defend itself and manage relations with all the major powers and neighboring countries with good sense and judgment. It appears that the three major powers will deal with their internal economy first. However, they have indicated and taken measures to show their proactive diplomacy. Fortunately, the possibility of direct military confrontation stands very low, and is almost impossible. However, miscalculation, misjudgment and misperception are possible. The territorial dispute over the Diaoyutai islands is a good case in point. Taiwan has played its role effectively to reduce the possibility of miscalculation. We certainly hope that the concept of the “East China Sea Peace Initiative” will gradually be transformed to become a regional mechanism to help maintain peace and stability in the area. Strategic eclecticism is a new window of opportunity, but so much remains to be done by Taiwan itself to cultivate relations with the three major powers in East Asia at the same time. If Taiwan succeeds, it will write a new chapter in the history of China and international relations, namely, one of an asymmetric peace, not war.

## References

### English

#### Books

- Bush, Richard C., 2005. *Untying the Knot: Making Peace in the Taiwan Strait*. Washington, D.C.: Brookings.
- Bush, Richard C., 2010. *The Perils of Proximity: China-Japan Security Relations*. Washington, D.C.: Brookings.
- Bush, Richard C., 2013. *Uncharted Strait: The Future of China-Taiwan Relations*. Washington, D.C.: Brookings.
- Harding, Harry, 1992. *A Fragile Relationship: The United States and China Since 1972*. Washington, D.C.: Brookings.
- Jackson, Patrick, 2010. *The Conduct of Inquiry in International Relations: Philosophy of Science and Its Implications for the Study of World Politics*. London: Routledge.
- Jacques, Martin, 2009. *When China Rules the World: The End of the Western World and the Birth of a New Global Order*. London: Penguin.
- Mohbubani, Kishore, 2008. *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*. New York: Public-Affairs.
- Turner, Stephen & Paul A. Roth, eds., 2003. *The Blackwell Guide to the Philosophy of the Social Sciences*. Oxford: Blackwell.
- Vogel, Ezra F., 2011. *Deng Xiaoping and the Transformation of China*. Cambridge, Massachusetts: Harvard University Press.