The U.S. Asia Rebalancing and the Taiwan Strait Rapprochement

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By Vincent Wei-cheng Wang

Vincent Wei-cheng Wang is Professor of Political Science at the University of Richmond in Richmond, VA and a senior fellow of the Foreign Policy Research Institute.

Abstract: A historic rapprochement is transforming the Taiwan Strait, which until recently had been considered a "flashpoint" in Asia that could embroil two nuclear powers. This détente occurs amidst a momentous power transition in the Asia-Pacific. Many see the U.S. "Pacific Pivot" as a response to China's recent assertive policies, the shifting power balance caused by the 2008 global financial crisis, and the realization that Asia holds the key to the economic and security futures of the United States. And yet the Obama Administration's official statements on the pivot policy were nearly silent on Taiwan. What explains the near official silence on the role of Taiwan in the U.S. pivot policy? This article examines three hypotheses: (1) "The Lost Cause" thesis (i.e., Pivot without Taiwan), (2) "The Fate Undetermined" thesis (i.e., Pivot, then Taiwan), and (3) "The Tacit Alliance" thesis (i.e., Pivot with Taiwan, in deed if not in word) against available evidence and assesses the positive and negative implications of the evolving cross-strait relations for the U.S. pivot to Asia, as well as the U.S. policy's impact on cross-strait relations.

Since normalizing relations with the People's Republic of China in 1979, the United States has made reducing tension and encouraging dialogue across the Taiwan Strait an important policy goal and a pillar for stability in the Western Pacific region. To pursue this objective, the United States has relied on the strategy of extended deterrence to prevent Beijing's forceful absorption of Taiwan. But to manage the alliance with Taiwan (formal until 1979 and arguably implicit since then),[1] the United States adopted the policy of "strategic ambiguity" to deter both Beijing and Taipei from taking destabilizing moves that could alter the U.S.-constructed status quo. At the same time, it has fostered conditions for exchanges and dialogues between the two. The emphasis was on preventing China from

[1] See Glenn Snyder's classic discussion of the entrapment vs. abandonment dilemma in alliance politics, "The Security Dilemma in Alliance Politics," *World Politics*, July 1984, pp. 461-495.

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forcefully absorbing Taiwan. Since Taipei had long abandoned the idea of "recovering" the mainland by force,[2] and the only party that might use force to accomplish its goal is Beijing (despite U.S. prodding in three communiques),[3] the U.S. strategy is essentially an anti-unification strategy (anti-Beijing's forceful unification). Until recently, the Taiwan Strait was viewed as a "flashpoint" in Asia that could drag two nuclear powers—the United States and China into a confrontation. The military deterrence and preventive diplomacy roles the U.S. played were evident and necessary.

Since 2008, however, relations between Taiwan and China have changed drastically—with the election of Ma Ying-jeou of the Chinese Nationalist Party (KMT) as President of Taiwan (formally known as the Republic of China, ROC). Unlike his predecessor (former President Chen Shui-bian) from the pro-independence Democratic Progressive Party (DPP), Ma focused considerable effort to reduce tension across the Strait and normalize relations with the mainland.[4] His policy has achieved notable success but also unleashed new dynamics.

Although the two sides of the Taiwan Strait have never signed a truce and are technically still at war, they have signed 21 agreements, including the landmark Economic Cooperation Framework Agreement (ECFA).[5] China has long supplanted the United States as Taiwan's largest trading partner, now absorbing 27 percent of Taiwan's exports (or 40 percent, if Taiwan's exports to Hong Kong—mostly transshipments to China—are also included) and 80 percent of Taiwan's outbound investments.[6]

Very few analysts now believe that military conflict is likely to break out across the Taiwan Strait. The U.S. role has, thus, become less clear. Instead, some analysts now ask whether the United States should be more concerned about Taiwan willingly (albeit peacefully) joining or being absorbed by China. Diplomatic historian Nancy Tucker was the first to ask this seemingly improbable question: "If Taiwan chooses unification, should the United States care?"[7]

Some scholars suggest that as a result, Taiwan has lost its strategic value to the United States or even has become a strategic liability, and that Washington is

[2] In 1991, the Taipei government formally ended the "Temporary Provisions Effective during the Period of Mobilization and Suppression of Communist Rebellion," in effect since 1948, declaring that henceforth it would view the government in Beijing as a political entity. This act symbolized the effective end of a military approach toward the mainland.
[3] See the U.S. Department of Defense's annual reports on the PRC's military power, http://www.defense.gov/pubs/2014_DoD_China_Report.pdf, and http://www.defense.gov/pubs/china.html.
[4] See his platform, "A Golden Decade—the Nation's Vision," http://www.president.gov.tw/Default.aspx?tabid=1070.
[5] For a list of these agreements, see http://www.mac.gov.tw/ct.asp?xItem=67145&CtNode=5710&mp=1.
[6] *Taiwan Statistical Databook*, 2013 (Taipei: Council on Economic Planning and Development, 2013), pp. 229-232. *CIA World Factbook*, https://www.cia.gov/library/publications/the-world-factbook/geos/tw.html.
[7] Nancy Bernkopf Tucker, "If Taiwan Chooses Unification, Should the United States Care?" *The Washington Quarterly*, vol. 25, no. 3 (2002), pp. 15-28.