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Taiwan's Changing Security Environment

Jean-Pierre Cabestan

Professor & Head

Department of Government and International Studies

Hong Kong Baptist University

Associate Research Fellow, Asia Centre, Paris



Ludwigkirchplatz 3-4
10719 Berlin
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org

In 2011-12, the relationship across the Taiwan Strait has continued to deepen and stabilize.¹ President Ma Ying-jeou's reelection and the KMT parliamentary victory in January 2012 have directly contributed to this consolidation of military detente and political rapprochement between Beijing and Taipei. But has Taiwan's security environment improved? In this paper, I will argue that in the past few years, and especially since Ma's election in 2008, Taiwan's both military and non-military security challenges have intensified and the latter challenges are, in the longer run, probably more dangerous than the former ones for the island's security and survival as a de facto nation-state.

On the one hand, Taiwan (or the Republic of China, ROC)'s capability to defend itself and keep the island secure from outside aggression has deteriorated. In addition, since no military confidence-building measures (CBMs) have been initiated with mainland China (or the People's Republic of China, PRC) military incidents cannot be excluded nor managed properly. But more importantly, the People's Liberation Army (PLA) growing power projection capability and pressure on the island as well as the Ma Administration's lack of investment in defense have made Taiwan more and more dependent upon the US de facto security guarantee—the Taiwan Relations Act (TRA)—at a time the United States' relative decline is becoming more perceptible, Beijing is intensifying its pressure on Washington to stop providing weapons to the island and a debate is looming in the US about its long-term capability to and interest in guaranteeing Taiwan's security.

On the other hand, Taiwan's accelerated economic and human integration with mainland China has both deepened the former's dependence upon the latter and enhanced the latter's political influence and eased its united front work on the island, not only towards its business community but also its political and cultural elites as well as its society as a whole. The growing interactions across the Strait have already multiplied on the island the number of constituencies that have a vested interest in keeping a close and stable relationship with the mainland; they also have the potential to modifying the Taiwanese's perception of the PRC, their identity and their attachment to the status quo in the Strait, loosening Taiwan's security relationship with the US and eventually compromising the island's de facto independence, precisely at a time when the perception of a US strategic decline is getting momentum.

Can the Ma government overcome these challenges? Does it have the willingness to do so? Can the Obama Administration's new "rebalancing" policy towards the Asia-Pacific help Taiwan improving its security? Our conclusion is that, while Taiwan will be able, with the US support, to remain a distinct

1 Scott L. Kastner, "The Security Implications of China-Taiwan Economic Integration", in Roger Cliff, Phillip C. Saunders, & Scott Harold eds., *New Opportunities and Challenges for Taiwan Security*, Washington DC, Rand, National Defense Research Institute, 2011, p. 9.

democratic political entity under the ROC constitutional framework, its rooms for maneuver and, possibly, its political autonomy will continue to narrow.

Taiwan's Hard Security Environment and Military Challenges

Taiwan's hard security environment has continued to deteriorate. China's military building-up and capability to threaten Taiwan have intensified. Taiwan's defense effort has been globally stagnating in spite of the announcements in January 2010 and September 2011 of two large-scale US weapon packages as well as a few new initiatives as the phasing out of the drafting system; Taiwan's will to fight depends increasingly upon the US commitment to the island's security; and Taiwan's military is more and more vulnerable to China's espionage. Yet, Taiwan has the ability, with US support and assistance, to keep a credible defense if it is well served by a sensible asymmetrical military strategy.

The PLA's Growing Threat

For most experts, the military balance in the Taiwan Strait tilted in favor of China around 2005. The PLA's capability to project forces across the Taiwan Strait has since then continued to expand. While, according to US military sources, the number of conventional missiles pointed at Taiwan has reached a ceiling in 2010 (1,000-1,200), their sophistication and accuracy have kept improving.² In any event, land-based missiles are just one small, and arguably a smaller feature of the military balance. The PLA Navy and Air Force's ability to take control of the Taiwan Strait, and impose a blockade over the island, if not yet successfully launch a landing operation, has become much more credible, forcing the US to review its own counter-strategy.³ Moreover, China's capabilities to eavesdropping

2 Annual Report to Congress. Military and Security Developments Involving the People's Republic of China 2012. A Report to the Congress Pursuant to the FY2000 National Defense Authorization Act for Fiscal Year 2000. Washington DC: Office of the Secretary of Defense, May 2012, pp. 21 & 29. PLA Navy SAM (Sea Air Missiles) constitute a new and growing source a military threat against the island, cf. Annual Report 2012, p. 39. Cf. as well the previous two annual reports. However, according to Taiwan's Ministry of National Defense, China had deployed in 2012 more than 1,600 tactical ballistic and cruise missiles along its southeastern coast, including a few newly-designed mobile medium-range Dong-Feng 16 (DF-16), as opposed to 1,400 in 2011; cf. China Military Power Report 2012, Taipei Times, 4 September 2012, p. 1; Kanwa Asian Defense Review, April 2012. http://www.defense.gov/pubs/pdfs/2012_CMPR_Final.pdf. Cf. also previous years' reports.

3 David A. Shlapak, David T. Orletsky, Toy I. Reid, Murray Scot Tanner, and Barry Wilson, A Question of Balance: Political Context and Military Aspects of the China-Taiwan Dispute, Washington DC, Rand, 2009.

Taiwan's military and intercepting its electronic signals have been upgraded, enhancing the PLA's edge in digital warfare.⁴

It is clear that in the same laps of time, the PLA's missions have diversified, including, just to cite a few, a stronger presence in the South and the East China Seas, anti-piracy operations in the Gulf of Aden and Military Operations Other than Wars (as disaster relief operations), diverting to some extent the Chinese military from the Taiwan theater. However, Taiwan and the US likely involvement in a war over the island have remained a priority military target.⁵

Taiwan's Defense Policy Adjustment and Weaknesses

Because of this fundamental change in the bilateral military balance across the Strait, since the middle of the 2000s, Taiwan has been compelled to put together an *asymmetric* military strategy aimed at deterring any unprovoked PLA attack. To be credible, Taiwan's military must ensure that the cost of such an attack remains prohibitive for the PLA and China, or *at least* much higher than the expected benefits of this operation and, as a result, force Beijing to think twice before contemplating any "non-peaceful" option to "solving the Taiwan issue."

Enshrined in the TRA, the US commitment to Taiwan security has remained very strong, although purposely vague; the daily cooperation between the Pentagon and the Taiwanese armed forces is today much closer and better than before the 1996 missile crisis. Ma's 2008 electoral promises to build a "hard ROC," to increase the defense budget to 3 percent of GDP, and to move towards an all-volunteer military were well received in Washington. This came after nearly a decade of decrease in military expenditures—by around 40 percent between 1999 and 2008—and political bickering in the Legislative Yuan (Taiwan's Parliament) about the relevance and financing of the unprecedented arms package granted by George W. Bush in 2001 (including, for the first time, diesel submarines, which the US has, however, been unable to manufacture). However, during his first term, Ma did not keep his promises.

This does not mean that he has not taken defense seriously. Although he initially adopted a purely defensive strategy inspired by US expert William Murray⁶, under the military's pressure, he has kept and modernized the Taiwanese

4 New parabolic dishes have been identified by US commercial satellites on Dongjing Shan, near Daqiu village in Fujian province, Defense News, quoted by The China Post, 20 June 2012.

5 Anthony H. Cordesman & Nicholas S. Yarosh, Chinese Military Modernization and Force Development. A Western Perspective, Washington DC, CSIS, 22 June 2012.

6 William S. Murray, "Revisiting Taiwan's Defense Strategy," Naval War College Review, Summer 2008. Murray recommended that Taiwan adopts a "porcupine" strategy "emphasizing the asymmetrical advantage of the defender, seeking to deny the People's Republic its strategic objectives rather than attempting to destroy its weapon systems." Taiwan should, Murray recommended, dig in and rely on passive defense by ground forces, harden or move underground its military facilities, improve its communication and control

armed forces' offensive capability. And since 2008, the US and especially the Obama administration have committed more arms sales to Taiwan than the Bush government in the seven previous years (US\$18.3 billion and US\$12.25 billion respectively).

It is true that formulated in March 2009 in the Taiwan Defense Ministry's first Quadrennial Defense Review (QDR), Ma's defense strategy restored the pre-2000 order of priorities: "resolute defense and effective deterrence" (*fangwei gushou, youxiao hezu*), as opposed to the "effective deterrence and resolute defense" and "active defense" strategies put forward under Chen Shui-bian. This approach was strongly supported by Su Chi, General Secretary of the National Security Council from May 2008 to February 2010.

Nonetheless, for many reasons, including resistance in the Taiwanese military, both the QDR and the National Defense Report (NDR) published in October 2009 have recommended Taiwan to keep an offensive capability and continue to develop conventional weapons, such as Hsiung-feng-2E cruise missiles (650-800 km) capable of striking and neutralizing targets on the other side of the Strait.⁷ In May 2012, mass production of these missiles was completed (total cost US\$1.02 billion). Hsiung-feng-2E have started to come into service and have been deployed in particular on fast-attack Hsun Hai missile corvettes.⁸ In other words, Chen's "active defense" has not been completely shelved; only the ambitious and unrealistic objectives of moving the "decisive battle outside of the territory" (*jingwai juezhan*) and developing offensive weapons as long-range missiles (over 1,000 km) targeting non-military objectives have been clearly abandoned.⁹ In addition, the Ma government has continued to invest heavily in the Navy and the Air Force. Since 2009, it has developed the above mentioned high-tech missile fast corvettes, dubbed "carrier killer," also equipped with powerful supersonic anti-ship Hsiung-feng III cruise missiles, and more capable of putting at risk the PLA surface ships in the Strait.¹⁰

systems, and strengthen its anti-access capabilities. In his view, the Air Force and the Navy still play a critical deterrent role in Taiwan's self-defense, but Taiwan should stop trying to maintain naval and air parity, let alone an unachievable superiority in the Strait.

7 The next QDR expected to be released in March 2013 will probably enhancing this offensive capability.

8 Taipei Times, 29 May 2012, p. 3.

9 York W. Chen, "The Evolution of Taiwan's Military Strategy: Convergence and Dissonance," China Brief, vol. IX, no. 23, November 2009, pp. 8-12. The DPP has recently called for resuming this programme.

10 Straits Times, 12 April 2010. The Hsiung-feng missile has started to be deployed in 2011 and is now positioned on some 20 ships; Newscom, 16 June 2011. The Achilles' heel of these missiles, however, is their reliance upon off-board sensors including radars installed on Dongyin Island of the Matsu island chain, just 45 km off the coast of Fujian. Such advanced radars would likely be among the primary target of an attack by China. Taipei Times, 12 June 2012, p. 3.

It has become clear for most Taiwanese, both the KMT and the independence-leaning Democratic Progressive Party (DPP), both the blue and the green camps, that the acquisition of more advanced fighters was crucial to maintaining the credibility of Taiwan's Air Force. Although most US experts shared this view, as widely expected, in October 2011, the Obama Administration decided not to sell Taiwan 66 F-16 C/D but instead to only retrofit Taiwan's current 145 F-16 A/B for a price-tag of US\$5.8 billion. True, once upgraded, the F-16 A/B will have a better capability and survivability. But even if Taiwan later gets the F-16 C/D—a sale that the US authorities have again contemplated in the Spring of 2012—or tomorrow can buy some F-35s, its ambition to keep controlling the Strait has become more and more remote, reviving the debate among Taiwanese and American militaries about the island's best defense strategy.¹¹ For example, some in the US argued in 2011 that missiles (e.g. the supersonic anti-ship missile Hsiung-feng III or the land-attack cruise missile Hsiung-feng-2E) are more useful and efficient than fighters, making a case for not delivering the F-16 C/D asked by Taipei.¹²

Nevertheless, in spite of Ma's promises, Taiwan's defense budget has not only stagnated but also decreased in real terms. Amounting US\$10.5 billion in 2008, it fell to US\$9.6 billion in 2009 and US\$9.3 billion in 2010 before slightly increasing again to US\$10.2 billion in 2011 and US\$10.6 billion in 2012. But more importantly, between 2008 and 2012, Taiwan's defense budget share has decreased from 2.5% to 2.2% of GDP and 20.2% to 16.4% of total government expenditures. Though the financial crisis was used to justify the 2009 drop, the subsequent reductions have been the result of higher social welfare expenditures (21% of the state budget in 2012) as well as a mixture of savings and misallocations of funds for weapons systems that could not be delivered as anticipated.¹³ As a consequence, we may have some doubt about Taiwan's financial strength. For instance, the retrofitting of the old F-16s will take more time than expected: in February 2012, the Executive Yuan had only allocated US\$3.7 billion to this task; including a lot of electronic warfare equipment, the second phase of the upgrade (US\$1.5 billion) will not be financed before 2014.¹⁴

Similarly, the transition to an all-volunteer force by 2015 has revealed itself much more expensive than originally planned: the 2011 personnel budget has only

11 In May 2012, the US House of Representatives voted in favor of the US government selling 66 F-16 C/Ds to Taiwan, but the Taiwanese military would prefer now to buy the more sophisticated and new generation F-35 stealth fighters. Taipei Times, 30 May 2012, p. 1.

12 Robert Haddick, "This Week at War: Rumsfeld's Revenge", Foreign Policy Website, July 2011, quoted in Taipei Times, 15 July 2011.

13 For instance, in June 2011, it was announced that the budget for the potential purchase of diesel-electric submarines and F-16 C/Ds was slashed in order to avoid returning to the national treasury billions of dollars originally allotted for military equipment purchases, The China Post, 15 June 2011.

14 Taipei Times, 1 June 2012, p. 1.

been able to support less than half (5,000) of the additional volunteer personnel that needed to be recruited according to the already revised target (11,000 instead of 15,000). And owing to the projected budget increase, by 2014, only 20% of the recruitment objective will be met (9,000).¹⁵

Another growing danger for Taiwan security is the PRC intensifying espionage activities on the island, qualified by Premier Wu Den-yih as a “war without gunfire” in November 2010. The growing interconnections between both societies—the increasing number of retired Taiwanese officers to travel to and settle down on the mainland and the unprecedented surge of Chinese tourists—have made counter-espionage work more arduous. The most high-profile espionage cases in the last few years have been the arrest in November 2010 of Taiwan Military Intelligence Bureau Colonel Lo Chi-cheng, accused of providing to the PRC intelligence about Taiwan’s spies network on the mainland, and in September 2011 of major General Lo Hsien-che, who was the highest-ranking officer convicted of espionage for China, for collecting information related to US defense technology, particularly the Patriot missile defense system, the *Po-Sheng* (Broad Victory) command and control system and a surveillance radar program.¹⁶ Much more than retired officers that may rapidly hold outdated information, active military officers are indeed Chinese espionage’s privileged targets. And, as the Lo Chi-cheng case has shown, Taiwan’s political divisions and faltering ideological loyalties in a context of a rising China have contributed to making a larger number of Taiwanese professional military easy preys.¹⁷ Although some additional restrictive measures have been later adopted by the Ma Administration (targeting in particular retired military personnel), the game seems increasingly asymmetrical, and perhaps hopeless, compelling the US military to think twice before transferring its most sophisticated and advanced weaponry to Taiwan.¹⁸

Finally, and not without relation with the previous problem, there have been increasing doubts about the Taiwanese’s will to fight and invest in the island’s military defense. The so-called “peace dividend” that Ma and the KMT are expecting from the overall decrease of military tension with China has contributed to convincing many Taiwanese that less can be invested in defense.¹⁹

15 Fu S. Mei, “Taiwan’s Defense Transformation and Challenges Under Ma Ying-jeou”, China Brief, Vol. XI, No. 7, 22 April 2011, pp. 7-10.

16 Reuters, 2 September 2011; Defense News, 26 March 2012.

17 Andrew Higgins, “In Taiwan military, Chinese spy stirs unease”, Washington Post, 20 September 2011. More recently, in June 2012, a missing laptop from a Taiwanese Navy guided-missile stealth ship (Kuanghua 6) was feared to have been stolen by Chinese spies. AP, 11 June 2012.

18 There were reports in Taiwan in 2009 claiming that Ma Ying-jeou had called for a truce and that the National Security Council had ordered the National Security Bureau to stop recruiting agents to work inside the mainland (Ziyou shibao, 13 February 2009). These more recent incidents indirectly prove that these claims were unfounded.

19 Alexander Chieh Cheng Huang, “The United States and Taiwan’s Defense transformation”, in Taiwan-US Quarterly Analysis, February 2010, No. 2, p. 5.

Moreover, the KMT's strong tendency since 2008 to regard mainland Chinese as "brothers" (*xiongdi*) rather than "enemies" (*diren*) has fed these doubts, especially in the US. Obviously, the PRC is both an economic partner and a military threat—what I have qualified elsewhere "*Taiwan's strategic paradox*"—and its growing influence over Taiwan makes many ROC citizens increasingly schizophrenic (see below). For instance, while on a scale from 1 to 10, war with China remains for most Taiwanese quite unlikely (3.2), 54% of them have a negative impression of the PRC government, which they describe as "authoritarian" and "corrupt".²⁰ Moreover, in April 2012, 49.7% of the Taiwanese still think that Beijing is hostile (the MAC now uses "unfriendly") to the "ROC government" (against 53.1% in August 2008 and 39.5% in December 2009) and 45.7% of them think that it is hostile ("unfriendly") to the "people of Taiwan" (against 45.1% and 41.1% respectively).²¹

Arguably, a professional military is better trained to use the sophisticated armaments that it has received and is more ready to fight in case of war. But the bond with the nation is vital. For this reason, while accelerating the transition towards an all-volunteer force that should be completed by 2015, Taiwan's Defense Ministry has decided to keep a four-month basic training requirement for any male citizen reaching 18 years of age. However, can an economy that is more interdependent with and a society that is culturally closer to mainland China than, say, France is to Germany provide the material and moral support necessary for its soldiers to defend Taiwan's sovereignty and de facto independence? At this stage, it is impossible to fully answer this question. Studies have shown that US support and involvement would be a decisive factor, which is not surprising.

In any event, since 2008, there has been a troubling deficit of communication with the US (which has remained purposely ambiguous about its involvement in an armed conflict in the Strait), as well as an unrealistic assessment of the Taiwanese military's capabilities.

Since the end of his first term, President Ma Ying-jeou has attempted to address both the lack of financial commitment to defense and his government's communication deficit with the US. Nevertheless, it remains to be seen whether in the coming four years, he will be able to redress the growing weaknesses of the Taiwanese military and put together a more credible asymmetrical military strategy. And slightly lower 2013 defense budget proposal (US\$10.59) that he has submitted to the Parliament in September 2012 does not augur well a heavier investment in defense and security.²²

<http://www.brookings.edu/research/opinions/2010/02/taiwan-defense-huang>

20 The China Post, 12 September 2010.

21 Mainland Affairs Council opinion polls, www.mac.gov.tw consulted on 13 June 2012.

22 Taipei Times, 11 September 2012, p. 3.

An Underdeveloped Security Dialogue

As the current armed *détente* demonstrates, security constitutes a particularly important set of issues that have not yet been genuinely addressed by Beijing and Taipei. Although China had shown as early as 2004 an intention to include the establishment of confidence-building measures (CBMs) in cross-Strait talks, military CBM negotiations have not been able to take off ground partly because they are still perceived on both sides of the Strait as closely connected to more sensitive political discussions and partly because of the other difficulties and limitations mentioned below.

In December 2008, while still giving priority to economic and easier items of negotiation, Hu Jintao put forward “six propositions for peaceful development across the Taiwan Strait.” He stated in particular: “To help stabilize the situation in the Taiwan Strait and alleviate concerns about military security, the two sides can have contacts and exchanges on military issues at an appropriate time and discuss the issue of establishing a military security mechanism based on mutual trust.”²³

Since 2008 (and even before), some informal and, more importantly, secret talks have taken place. Simultaneously, nonofficial contacts and discussions involving academics and experts on political and security issues have also rapidly increased in the last two years. Channels of communication already exist, for instance between the coast guard forces of both sides, to avoid and manage incidents in the Strait. In 2010, the Taiwanese Coast Guards and the PRC Maritime Safety Administration held their first joint search and rescue operation. On 30 August 2012, they organized a much bigger second coordinated exercise, involving 2 helicopters, 14 vessels, 300 personnel and even one vice-minister from each side of the Strait, and decided to carry out such operations every two years.²⁴ Moreover, when necessary and in times of crisis in particular, both sides have been able to hold high-level secret contacts.²⁵ In other words, communication and incident management are less of a problem than many observers have suspected.

23 Xinhua, 31 December 2008. Hu Jintao’s “six propositions” included: 1) end of hostility and peace agreement under the “one China principle”; 2) strengthening commercial ties, including negotiating a comprehensive economic cooperation agreement; 3) increasing communication and exchanges; 4) pushing forward cultural and educational exchanges; 5) discussing “proper and reasonable arrangements” for Taiwan’s participation in international organisations; and 6) stepping up contacts and exchanges on military issues and talk about CBMs. Cf. also Bonnie S. Glaser, *China’s Approach to CBMs with Taiwan: Lessons from China’s CBMs with Neighboring Countries*, in Cliff et al., *New Opportunities and Challenges for Taiwan’s Security*, op. cit., pp. 17-22.

24 China Post, 31 August 2012; China Daily, 3 September 2012.

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

Nevertheless, the many obstacles to the opening of CBMs negotiations mentioned in earlier publications still hold.²⁶ Firstly, through CBMs, Taiwan would attempt to alleviate the current level of PLA threat while China does not wish to talk about this issue, arguing that its military buildup is not targeted against Taiwan but the US and Japan. Secondly, for Ma Ying-jeou, the withdrawal of the missiles was, at least until he re-launched in October 2011 the idea of concluding a peace agreement with the mainland, a precondition to any “political talks,” including CBMs. Although in his October 2011 announcement, Ma has become vaguer about the “reassurances” that China should give to Taiwan—“safeguard Taiwan’s security and prosperity”—it remains to be seen whether he will be able to move forward on military CBMs, let alone peace talks, before the mainland makes any move, any gesture.²⁷ However, so far, for Beijing, adjustments in military deployment can only be a subject of the talks, must be reciprocal and based on improved trust, and must be bargained against meaningful concessions, such as a formal renunciation of *de jure* independence by Taiwan.

Thirdly, Beijing and Taipei are following different objectives: both linking CBM talks to the adoption of a peace treaty or an end-of-hostility agreement, Taipei hopes that CBMs can consolidate the status quo, and Beijing expects that it can serve unification, however indirectly, for instance “in promoting bonds of common identity between the two militaries”.²⁸ When Ma feels that he can open CBM talks, can he really accept linking CMB talks, let alone peace agreement negotiations, to the future unification of the Chinese nation (*Zhonghua minzu*)?²⁹ In October 2011, he reiterated that he would not. And obviously welcomed by China and convergent with Hu Jintao’s policy, this linkage remains unacceptable not only to the pan-green camp but probably also to the majority of Taiwanese public opinion. As a result, Ma rapidly dropped his peace treaty idea and has avoided raising it again since he was reelected in January 2012. And in June 2012, he even went as far as banning a Chinese official delegation, led by ARATS Vice-Chairman Wang Zaixi, from coming to Taiwan to attend a forum to discuss such political and security issues organized by independent but unification-leaning

26 Cf. in particular my article, “The New Détente in the Taiwan Strait and Its Impact on Taiwan’s Security and Future: More Questions than Answers”, *China Perspectives*, No. 2010/3, pp. 22-33.

27 On 17 October, Ma listed first three conditions that China must meet before concluding a peace treaty: “The pact must have a strong domestic support, meet the actual needs of the country and supervised by the Legislature”, cf. CNA, 17 October 2011; *The Wall Street Journal*, 21 October 2011. Then on 25 October, he mentioned “ten guarantees”, including “four reassurances”, cf. KMT Official Website, 25 October 2011; CNA, 17 October 2011.

28 Glaser, “China’s Approach to CBMs with Taiwan”, in Cliff et al., *New Opportunities and Challenges for Taiwan’s Security*, op. cit., p. 21.

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

scholar Chang Ya-chung.³⁰ In any event, opinion polls continue to show how much the Taiwanese wish to remain open-ended regarding the future of their island: in April 2012, 61.3% of them support (against 57% in August 2008) either the status quo in the Strait indefinitely (29.9% against 22.4% in August 2008) or the option “status quo now and decision later” (32.4% against 34.4%) while another 15.7% (against 17.5%) favor a status quo heading towards independence.³¹

This difficulty brings us to the final obstacle or question mark: should these CMB negotiations remain bilateral, or should they also involve the United States? China has acknowledged that any alleviation of the military tension in the Taiwan Strait is closely linked to US arms sales to Taiwan. For Ma and the US, this remains a non-starter. At the same time, neither Beijing nor Taipei seems to welcome direct participation by Washington in any CBMs in the Taiwan Strait. It would put Beijing in a weaker position and risk expanding and complicating the issues that would need to be discussed, possibly to the US forward military deployment in East Asia and the PLA’s new capabilities, targets and objectives, beyond Taiwan, in the region (US bases in Japan and Korea, Guam, South China Sea, Exclusive Economic Zones). The risk for Taipei would be of adding factors of contention in the talks and of being sidelined in a deal between the two great powers above Taiwan’s head. Moreover, in the context of the current American debate about US commitment to Taiwan security, it may be utilized by the promoters (e.g. Michael Swaine) of a direct negotiation with Beijing of a larger quid pro quo about Taiwan’s future “in consultation with Taipei”, but still beyond Taiwan’s control (see below).³² What Ma would like is to receive strong US support to initiate such talks in order to rein in concerns of the DPP. It can be assumed, however, that Washington would wish to be more closely consulted on these talks as well as on the overall “rapprochement” between Taipei and Beijing. For all these reasons, skeptics about the usefulness of military CBMs have remained influential (e. g. in the US Steven Goldstein³³) and military CBM negotiations are unlikely to start any time soon. Only second-track discussions

30 The Forum’s purpose was “discussing how to stabilize peaceful cross-Strait relations through the development of mutual trust”. Chang has invited representatives of major think tanks across the Strait, cf. Taipei Times, 25 June 2012. On Chang Ya-chung, cf. his article and my response, “Commentary on ‘A Modest Proposal for a Basic Agreement on Peaceful Cross-Strait Development’ by Chang Ya-chung”, *Journal of Current Chinese Affairs*, 2010/1, pp. 163-173.

31 <http://www.mac.gov.tw/> (consulted on 13 June 2012).

32 Michael D. Swaine, “Enough Tough Talk on China”, *The National Interest*, 26 September 2011, <http://nationalinterest.org> ; Michael D. Swaine, *America's Challenge: Engaging a Rising China in the Twenty-First Century*, Washington DC, Carnegie Endowment for International Peace, 2011.

33 Steven Goldstein, “Cross-Strait CBMs: Like a Fish Needs a Bicycle?”, in Cliff et al., *New Opportunities and Challenges for Taiwan’s Security*, op. cit., pp. 33-43.

among military experts of both sides are likely to continue and perhaps become more meaningful in the next few years.

The Limited Impact of Military CBMs

Even if military CBMs would be most welcomed because of their stabilizing and predictability virtues, they cannot fully address Taiwan's growing insecurity. At a time that would suit its interests, for instance to facilitate the election of a KMT candidate in 2016, the PRC may contemplate a partial relocation or even dismantlement of its (oldest) missiles targeted against the island. This unilateral CBM would nevertheless be much more a political and symbolic gesture than a strategic decision, given that the conventional missiles aimed at Taiwan constitute just a small portion, and arguably a decreasing part, of the PLA forces that can be projected against the island today and in the coming years.³⁴ Thus, even if a partial demilitarization of the Taiwan Strait is possible, the military balance will continue to be less and less favorable to Taiwan, forcing the island to invest more in its defense, rely more on the US, and consequently take into greater consideration the perceived long-term interests of the US in the region.

Taiwan's Strategic Partnership with the USA

As we have seen, there is a strong security and military dimension in Taiwan's non-official relationship with the US. But there is also an important political facet to it. Yet, it seems that the military-to-military relations between the ROC armed forces and the Pentagon are closer and more trustworthy, or in other words in better shape than the political relations between the Taipei civilian authorities (Presidential Office, NSC, MOFA) and Washington (both the State Department and the NSC).

To be sure, no junior partner in any security arrangement shows all its cards to its senior partner—and vice versa, of course. Taiwan never did, when ruled by the Chiang family or later under Lee Teng-hui or Chen Shui-bian, and will probably never totally do. Yet, as Taiwan's national security and survival are increasingly dependent upon the US, it is in the island's interest to enhance communication and understanding with its only protector. At the end of his first term, President Ma seemed to have realized that and adjusted his communication methods with the Obama administration. But whether he will be able to fully reassure the US, remains to be seen.

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

The Cross-Strait “Rapprochement” and the US Debate about Taiwan’s Future

As far as the US is concerned, this so-called “rapprochement” is obviously feeding doubts among some segments of the US political elite about Taiwan’s long-term intentions. It is understandable that, as a small and ill-recognized nation-state situated at the doorstep of the PRC, Taiwan does not enjoy the same freedom as the US to confront China, when need be. The question is whether the accommodations made by Taipei since May 2008 on several commercial (e. g. direct air links, opening Taiwan to PRC investments), political (e. g. human rights, Tibet, Xinjiang), and security (downgrading of military maneuvers and field training exercises, Quemoy’s demilitarization) issues would put the island in a dependence situation susceptible to jeopardizing its security and de facto sovereignty, and, as a result, the foundations of the US-Taiwan security relationship and, particularly, the TRA. So far the accommodations accepted by the Ma administration have not per se put in danger the island (see below). But they have contributed to narrowing Taiwan’s options and capacity to say “no”, modifying its outside perception and feeding the debate, in the US and elsewhere, about Taiwan’s risks of “Hongkongization”.

The debate that has been initiated in some US circles since 2009 or so about the “unsustainability” of the US-Taiwan security arrangement may be perceived as marginal.³⁵ Yet, it underscores growing US doubts both about Taiwan’s lack of commitment for its security and American military power’s ability to keep in the longer-term, and even in adopting an increasingly asymmetrical strategy, its protection over Taiwan. The question is not so much the US military’s capacity to sustain a war and prevent Taiwan from being submitted under military constrain. It is more about the growing potential cost of deploying such a capacity in view of China’s unabated assertiveness and unification plan with Taiwan, the PLA’s rapid modernization drive and the risks attached to any armed conflict involving two nuclear powers. As China is getting more powerful and assertive, the discrepancy between what Taiwan represents for Beijing and for Washington is widening: Taiwan is a vital or “core” interest for the former, not for the latter. For instance, although the Obama administration has not compromised, it tends to factor in more than the previous administrations China’s “sensitivities”, especially

35 Bruce Gilley, “Not So Dire Straits. How the Finlandization of Taiwan Benefits U.S. Security”, *Foreign Affairs*, January/February 2010; Charles Glaser, “Will China’s Rise Lead to War?”, *Foreign Affairs*, March/April 2011, Vol. 90, No. 2, pp. 80-91, and more recently Michael Swaine, cf. above; cf. also this critic of Gilley, Glaser and others’ argument: Nancy Bernkopf Tucker & Bonnie Glaser, “Should the US Abandon Taiwan?”, *The Washington Quarterly*, Fall 2011, pp. 23-37.

regarding arms sales that the latter, ironically, does not blame Ma to buy.³⁶ And this trend has little chance to reverse.

The US's Asia-Pacific "Pivot" or "Rebalancing" and Taiwan

In launching in November 2011 the idea that the Asia-Pacific has become the "pivot" of US strategy, the Obama Administration was in some sense addressing the concerns expressed by a number of American experts regarding its exaggerated prudence towards China. Highlighting the growing importance of this region for America's security interests, the pivot theory was replaced in June 2012 by a "rebalancing" project, presented by Defense Secretary Panetta at the Shangri La strategic dialogue in Singapore, and according to which 60% of US military forces, especially Navy ships, will be gradually deployed in Asia, against 40% in Europe and elsewhere. The dispatch of 2,500 marines in Darwin, Australia, announced in late 2011 has also been part of US willingness to highlight and confirm its "return" to Asia. What are the consequences of this policy for Taiwan?

As all US allies and most of China's neighbors in Asia have since 2009 intensified their pressure on the US to strengthen its military and strategic presence in Asia, it is striking that Taiwan, under the Ma Administration, has appeared as the only exception - it was apparently too busy to reconcile with the Beijing authorities. Although Taipei decided not to cooperate with Beijing around the territorial disputes and clashes that have occurred in the South and East China seas since 2010, Ma Ying-jeou has remained particularly subdued if not silent about Obama's new policy. He has been in particular more interested in joining the Trans-Pacific Partnership (TPP) and solving the beef issue than praising this new security development.³⁷ For instance, after the June 2012 Shangri La meeting, only Taiwan's Defense Ministry publicly welcomed the US decision to shift more warships to the Asian-Pacific region.³⁸

In any event, the rhetoric around the US' Asian pivot and rebalancing does not modify the more dangerous equation taking shape for the US around any Taiwan scenario, especially at a time when the American government is introducing unprecedented cuts in its defense expenditures. After all, only one (and later a second) carrier strike group out of 11 is going to be moved from the Atlantic to the Pacific Ocean. Nor does it hide the increasing difficulty in the longer run for the US Navy to continue to dominate the seas around China: while today the US Navy can commit 284 warships and, in 15 years, it will only be able to rely on some 250 ships, it would need around 350 warships for conducting all its missions around

36 June Teufel Dreyer, "Why Taiwan Matters", E-Notes (Testimony before the House Committee on Foreign Affairs, 16 June 2011), Foreign Policy Research Institute, 18 July 2011, www.fpri.com

37 The China Post, 15 November 2011.

38 The China Post, 4 June 2012.

the world.³⁹ In these circumstances, how can America pretend to be able to balance the PLA's Navy growing force and capability to navigate in high seas, and especially to gradually dominate its surrounding seas, including the Taiwan Strait?

In other words, the US' "rebalancing" strategy is unlikely to give Taiwan any additional security guarantee from the US nor will it reverse the current power transition from America to China, especially in the Western Pacific and therefore around Taiwan.

Taiwan's Growing Non-Military or Soft-Security Challenges

Non-military security challenges are much harder to apprehend but probably also to keep in check. These challenges stem not only from an increasing and increasingly asymmetrical interdependence across the Taiwan Strait but also from the ambiguities and weaknesses of Taiwan's international status, identity and nation-building process. And this is the very close and complex relationship between these two sets of factors that make Taiwan's non-traditional security challenges so acute. To put it differently, economic and people-to-people interdependence between two nation-states of uneven size, population, resources and power but that recognize each other and live in peace can create difficulties and do bear security consequences. Nevertheless, it usually does not affect the smaller country's future and survival. In Taiwan's case, the unbridgeable divisions within the society and political elite about "what is Taiwan?"—its past, its present (ROC or Taiwan) and its future (permanent separation from China or some kind of unification)—directly weaken the island's security vis-à-vis the PRC and ease the latter's united front activities.

Taiwan's Asymmetrical Dependence upon China

This does not mean that Taiwan's unprecedented level of economic dependence upon the mainland economy (around 40% of the island's exports and 60% of its FDIs) does not represent in itself a security challenge. This situation and the trends ahead make it easier for Beijing to coerce the island without using military means, for instance through economic sanctions.⁴⁰ And as we know, signed in June 2010, the ECFA and the "rapprochement" policy as a whole have deepened this dependence and directly contributed to multiplying the Taiwanese constituencies that have a vested interest in not only maintaining a close and stable relationship with Beijing but also pushing further the island's dependency upon its major

39 US defense sources: Robert Kagan, "The US Navy Fostered Globalization: We Still Need it", *Financial Times*, 29 November 2011; Ralph A. Cossa, "US 1, China 0", *PacNet*, No.35, 6 June 2012; Tim Huxley, "Response to *PacNet* #35 – US 1, China 0", *PacNet*, No. 35R, 12 June 2012.

40 Kastner, *op. cit.*, p. 12.

source of revenues: the tourist and service industries as well as the fruit, vegetable and fish farmers are probably the best known beneficiaries of Ma's policy. But they are far from being the only and actually the major ones: these are the most advanced industries that have partly relocated their production lines on the mainland but kept many key and high added-values items manufactured on the island (electronics, computers, nanotechnologies).⁴¹

This does not mean that the PRC authorities have been as successful as some DPP officials argued during the 2012 election campaign in "buying" the support of the voters representing those constituencies. For instance, there have been multiple evidences that the areas that have benefited from the ECFA's "early harvest", as the Southern Taiwan milkfish farmers have not really modified their voting behavior. And economic sanctions are tricky weapons to use in particular for an economy as globalized as the Chinese economy.⁴²

However, this growing dependence has enhanced the pressure on both the political elite and the society to adjust their view about a whole range of issues, from mainland policy all the way, arguably, to identity, and the future of Taiwan.

The KMT's New Chinese Nationalism

Since Ma came to power in 2008, the KMT has revived to some extent the old-fashioned Chinese nationalism that again puts the unity, in not the unification of the Chinese nation/race (*Zhonghua minzu*) at the heart of its ideological discourse. This new/reborn narrative is not only aimed at denouncing and reining in what the KMT and Beijing describe as Chen Shui-bian's "desinisation" (*quzhongguohua*) policy but also at negating Lee Teng-hui's localization attempt—or Taiwanization—of the KMT and the ROC. Although Ma has not endorsed the dark blue view according to which Taipei has merely been since 1949 the provisional capital of the ROC and unification should come rapidly, he and the KMT have contributed to creating a gap, a tension between this revival of ROC-made Chinese nationalism and their need to continue to cultivate the local Taiwanese identity and voters.⁴³

The KMT's new or revived Chinese nationalism is officially aimed at anchoring Taiwan in the Chinese nation, bridging the gap with the PRC and, last but not least, favoring the mainland's democratization. In the same laps of time the KMT has reconciled and developed a privileged relationship with the Chinese

41 Daniel H. Rosen, and Wang Zhi, *The Implications of China-Taiwan Economic Liberalization*, Washington DC, Peterson Institute for International Economics, Policy Analyses in International Economy 93, January 2011.

42 Murray Scot Tanner, *Chinese Economic Coercion against Taiwan: A Tricky Weapon to Use*, Santa Monica, CA, RAND Corporation, 2007.

43 Chris Hughes, "Revising Identity Politics Under Ma Ying-jeou", paper presented at the conference on President Ma Ying-jeou's First Term in Office, Hong Kong Baptist University, 24-25 May 2012.

Communist Party (CCP). These new discourses and priorities raise many question marks: are there factors of political unity or division on the island? Are they prone to consolidate or on the contrary weaken Taiwan's nation-building process as well as determination to keep a credible defense? I would like to argue here that the KMT's new Chinese nationalism, its deconstruction of the ROCOT—the Republic of China on Taiwan, an inclusive and distinct acronym coined under Lee Teng-hui—and its rapprochement policy have contributed to weakening Taiwan's statehood and international status, notwithstanding the lack of progress on that latter front since 2008, as well as political consensus and national security. It has also contributed to convincing Beijing to tighten the screws: at the 8th KMT-CCP Forum held in Harbin on 28 July 2012, Politburo Standing Committee member Jia Qinglin declared that both Taiwan and the mainland belonged to “one country” instead of “one China” triggering endless discussions and criticism on the island.⁴⁴

In any event, it is safe to indicate here that these developments have put under additional constraints the DPP and the electorate as a whole, narrowing their options vis-à-vis China and for the future.

The DPP and the Electorate's Narrower Room for Maneuver

The clearer impact of this growing dependence associated with Ma's “rapprochement” policy has been on the DPP and the electorate. Although Ma was still perceived by many Taiwanese voters before the beginning of the 2012 electoral campaign as a weak and incompetent (*wuneng*) president, he was rather easily reelected: part of the reason was that the DPP candidate, Ms. Tsai Ying-wen, was unable to reassure not only her potential voters but also the Taiwanese business community and the US about her future mainland policy and her ill-defined “Taiwan consensus” (*Taiwan gongshi*). One of the key outcomes of her defeat has been that it is harder and harder for the DPP, if it wants to increase its chances to come back to power, to ignore China's requests and not to endorse in one way or another what Su Chi and later the KMT and the PRC have called the “92 consensus”. True, the DPP has remained deeply divided about the issue: while Frank Hsieh Chang-ting keeps promoting the concept of “constitutional one China” (*xianfa yizhong*), the Party's new chairman Su Chen-chang continues to stick to the 1999 resolution according to which the ROC equates Taiwan. And the DPP officials' visits to China in the summer 2012 have underscored more than anything else the gap between both sides. However, one can wonder whether, if it is serious about coming back to power in 2016, the DPP would not be tempted to move closer to what Hsieh has been proposing for some time. It may be able to avoid endorsing the KMT's (and Su Chi)'s “1992 consensus” while promising not

44 David G. Brown, “China-Taiwan Relations: A Year for Consolidation”, *Comparative Connections*, September 2012.

to amend the ROC constitution (a commitment similar to the ones made by Chen Shui-bian in 2000).⁴⁵ But the last four years have more clearly made the DPP and the Taiwanese society at large “prisoners” of the “92 consensus” and the “one China” fiction or unreality.

In other words, the changes in the Strait since 2008 have contributed to narrowing Taiwan’s options for the future and made the island more dependent upon Beijing’s good will; they have weakened Taiwan’s de facto independence, and as a result, Taiwan’s security.

The Mainstream Inclination of the Taiwanese Business Community

In the 2012 election, for the first time a large majority of business leaders openly endorsed the “92 consensus” and consequently put the DPP in a more arduous position. These business people included entrepreneurs as, for instance, Chang Yung-fa, Evergreen’s owner, who before sided with the green camp (except on direct air and sea links with China).

More concerning has been the evolution of some media as the *China Times* (*Zhongguo shibao*), which bought by the Tsai Eng-meng’s Want Want group (*wangwang tuanti*), have become less critical of the PRC authorities than even the dark-blue and KMT-supported United Daily News (*Lianhebao*).⁴⁶ Although many Taiwanese have kept their distance from and more recently become more vocal against these print media, this development highlights another facet of Taiwan’s “Hongkongization”: the unprecedented emergence of a pro-Beijing discourse on the island.

A Changing Taiwanese Identity

It is often argued that in spite of these trends, the Taiwanese identity has continued to strengthen and, therefore, consolidated the island society’s attachment to the status quo and de facto independence. According to various opinion surveys, this is accurate: between 55% and 65% of the respondents consider themselves as Taiwanese, 40%-30% as both Taiwanese and Chinese and just around 5% as only Chinese. But these perceptions are increasingly disconnected from the political options available to Taiwan’s political and economic elites and two major parties, the KMT and the DPP. They are also more and more disconnected from the professional and personal options that the Taiwanese, especially the youth, can contemplate. Or to be more accurate, Taiwan’s identity is being increasingly

45 Ibid. Alan D. Romberg, “Shaping the Future. Part I: Domestic Developments in Taiwan”, *China Leadership Monitor*, No. 38, August 2012, p. 3.

46 Andrew Higgins, “Tycoon Prods Taiwan Closer to China”, *Washington Post*, 21 January 2012; *Taipei Times*, 16 February 2012. Tsai was ranked by *Forbes* in 2011 as Taiwan’s third richest person (US\$8 billion), *South China Morning Post*, 23 June 2012.

constrained by this reality and, as a consequence, gradually disconnected from Taiwan's independence and quest for full statehood: in other words, the Taiwanese identity is more and more "Hongkongized".

True, there are still major differences in terms of identity between Hong Kong and Taiwan, since the latter is a de facto state and the former is not. However, related to this changing content of the Taiwanese identity, several studies have shown that young Taiwanese have a more flexible approach to the PRC: their professional career more often includes at least a temporary relocation on the mainland as the local employment market remains sluggish and offers more ill-paid jobs; in case of war, most would prefer to flee rather than to face conscription and fight for the ROCOT survival; and they are increasingly open-ended about the long-term solution of the cross-Strait differences, especially the prospect of unification.⁴⁷

Finally, the growing number of PRC spouses and other residents in Taiwan and *Taishang* (Taiwanese business people) on the mainland do include a security dimension. While around 310,000 mainland Chinese spouses have married Taiwanese citizens in the last 20 years or so (and roughly 200,000 of them reside in Taiwan, the other mostly on the mainland), it is by definition impossible to evaluate the total number of PRC nationals living on the island. The number of illegal PRC nationals is increasing and hard to track. Conversely, between 1 and 2 million Taiwanese are living on the mainland and some of them have married local spouses. In any event, these two distinct but growing communities and their offspring are already contributing to influencing Taiwan's view of the PRC (and China's view of Taiwan). The sheer magnitude of these interactions and cross-marriages cannot be discounted as marginal, especially in a society whose fertility rate has continuously decreased in the last twenty years (0.9% in 2010 against 1.03% the previous year). While this phenomenon may remain a long-term issue, it is prone to facilitate Beijing's united front work on the island. Although *Taishang* and the Taiwanese business community are probably not "agents of unification", they have certainly become what I would call "agents of accommodation".⁴⁸

47 Tanguy Le Pesant, "Generational Change and Ethnicity Among 1980s-born Taiwanese", *Journal of Current Chinese Affairs*, Vol. 40, No. 1, pp. 133-157. Tanguy Le Pesant, "A New Generation of Taiwanese at the Ballot Box", *China Perspectives*, No. 2012/2, pp. 71-79.

48 On the *Taishang*, there are more published works: Lee Chun-Yi, *Taiwanese Business or Chinese Security Asset: a Changing Pattern of Interaction between Taiwanese Businesses and Chinese Governments*, London & New York, Routledge, 2011; Gunter Schubert, "The Political Thinking of the Mainland *Taishang*. Some Preliminary Observations from the Field", *Journal of Current Chinese Affairs*, 1/2010, pp. 73-110; Shu Keng & Gunter Schubert, "Agents of Unification? The Political Role of Taiwanese Businessmen in the Process of Cross-Strait Integration", *Asian Survey*, Vol. 50, No. 2, 2010, pp. 287-310. Lee is more pessimistic than Schubert on the chances for the *Taishang* not to be influenced by the political and ideological environment in which they live.

Beijing's More Efficient United Front Strategy

We don't know much about the CCP's United Front Work (UFW) on Taiwan. It is indeed easier to identify UFW objectives and actors on the mainland: the united front cadres mainly target the *Taishang* and use all the Taiwan related agencies (Taiwan Affairs offices, Taiwanese Business Associations) that report in one way or another to the Central Committee United Front Department (*tongzhanbu*) to influence them. Today, the UFW's key objectives are to convince the *Taishang* or any Taiwanese personality, group or individual that they meet outside of Taiwan, if not to support unification, at least vote for the KMT, endorse the "92 consensus" and preferably the "one China principle" as well as to oppose the DPP and Taiwan independence. On the island, the PRC's united front's main objectives are probably identical. However, whom can they rely on? Which political party, business organization or social movement do CCP united front bureaucrats concentrate on? Do they have agents undercover in Taiwan? Many questions that are nearly impossible to answer as of yet, though pro-unification groups, such as the Chinese Integration Association, which invited Wang Zaixi in June 2012 (see above), are probably part of this growing network.⁴⁹

At this stage, we do not have any evidence of Beijing's concrete and direct united front activities on the island, although Hong Kong and Macau Special Administrative Regions can be used as a precedent and a source of inspiration and comparison. And there is a strong argument to claim that the PRC authorities both concentrate on the KMT, a more friendly, accessible and easy target, as well as the DPP, a harder nut that, however, needs to be cracked if they want to win over the "hearts and minds" of the majority of the Taiwanese people.

In the last four years or so, if we judge the UFW by its results, the Taiwanese business community has clearly been targeted as a prime objective. Beijing is aware of—or bet on—the fact that many Taiwanese are *homines economici* before being *homines politici*. Thus, it has concentrated on weakening the anti-China sentiments in offering a well-known series of general benefits (as the ECFA's early harvest) and a more discreet number of specific advantages when negotiating particular deals.

In any event, since 2008 as well, Beijing's UFW have also targeted the DPP elite. A growing number of DPP leaders and former ministers have been invited to "academic conferences" and other non-official gatherings in the mainland or in Hong Kong, facilitating through dialogue and other activities the construction of a more trustworthy and amicable relationship. Since Ma's reelection in 2012, the DPP has more obviously become a UFW priority target, since its chances of coming back to power in 2016 are likely to continue to increase.

49 Brown, *Comparative Connections*, September 2012, op. cit.

There has always been a risk when dealing with Taiwan that Beijing's UFW backfires and actually contributes to consolidating the Taiwanese's separate identity and the will to remain de facto independent, at least until mainland China democratizes. However, as we have seen, the current environment on the island and in the region is rapidly changing, strengthening Beijing's diplomatic and economic hand as well as its united front strategy towards Taiwan. And since the CCP's immediate objective is not unification but accommodation, its UFW has directly helped it reaching this latter goal.

The best illustrations of this strategy's successes have been the KMT's unwillingness to draft and agree upon with the DPP a common mainland China and security policy, the more fragile situation in which Taiwan's main opposition party is now entrenched and its already mentioned quasi-obligation to abide by, if not the "92 consensus", a similar commitment (the ROC constitution) if it wants to become a ruling party again, with the risk of splitting its own organization and its chances to win any national election in the future.

All in all, Taiwan's non-military security challenges cannot be discounted. They are becoming increasingly palatable and may very well become, in the mid-term, more threatening for Taiwan's de facto independence and options for the future than its military challenges.

Conclusion

Taiwan's security is facing growing challenges and the looming debate in the US is feeding a sense of insecurity and uncertainty about the island's mid- and long-term future. The good news is that the increasing flow of economic and quasi-governmental exchanges as well as people-to-people contacts across the Strait is consolidating not only interdependence and understanding but also stability and peace between Taipei and Beijing. The likely opening later in 2012 of SEF and ARATS offices in both capitals is, in that respect, an encouraging development. This stabilization and what I have called elsewhere "creeping normalization" of the cross-Strait relations also contribute to creating non-military CBMs across the Strait. In other words, for all the three actors involved—Taiwan, China and the US—it makes the cost of war every day more unbearable and therefore the risk of war more unlikely. The bad news is that asymmetry between China and Taiwan is widening, not only from a military point of view; it is that time seems to be on the PRC's side to gradually compel Taiwan to become more accommodating and eventually give in to its political demands without having to resort to any kind of armed conflict.

To contain or manage these dangerous trends, Taiwan still holds four trump cards: a meaningful defense, US support, democracy, and what I like to refer to as a "sovereignist consensus" about the "Republic of China on Taiwan" (ROCOT)'s

survival. If it plays these cards well, it can guarantee its national security and hold on until the PRC changes, hopefully, for the better. Among these four cards, maintaining a credible defense remains Taiwan's top objective. Because the other three cards can only be played if this "ace" stays in Taiwan's hand. In spite of China and the PLA's growing power, this objective is not out of reach if the Taiwanese military's asymmetric strategy and strong deterrence are consolidated and if Taiwan continues to convince the United States to remain committed to the island's security and the status quo in the Strait, which is probable in the mid-term future or the next twenty years.

Nevertheless, a strong defense is not enough, especially in the increasingly asymmetrical game in which Taiwan is involved. Promoting its democratic values and its "soft power" constitutes the other pillar of Taiwan's security. On this front, in spite of all the reservations and criticism indicated earlier, the Ma administration has done a rather positive, yet still too shy, job, provided the KMT remains cool-headed and realistic about the prospect for Taiwan to influence any democratization process on the mainland.

The final and probably most important objective for the current government, however, is to restore and consolidate the domestic consensus about Taiwan's mainland policy and security. This is not an easy task since the major political divide still rotates around identity issues and the island's short-, mid- and long-term relationship with the PRC. Initiatives aimed at crafting a stronger security consensus on the island should be welcomed and consolidated. But the ones that have materialized so far, such as the bipartisan think tank, the Taipei Forum Foundation (*Taipei Luntan*), launched in August 2011 by Su Chi, lack credibility because of the controversial and dividing image of their initiator.⁵⁰ It means that the KMT will have to a long way to go to rebuild this consensus and better accept the ROCOT reality. It will probably need to reframe its revived Chinese nationalism, re-enhance its Taiwanese identity and de-emphasize the "one China" fiction, the "92 consensus" as well as a much too legalistic approach to cross-Strait relations, a reality that is on the ground much closer to two separate states than to "one country, two regions" (*yiguo, liangqu*), to quote KMT Wu Po-hsiung's May 2012 ill-advised initiative, rapidly capitalized, as we have seen, by Jia Qinglin.

All in all, Taiwan's military and non-military security challenges have intensified in the last decade and particularly since the KMT's return to power in 2008. Nevertheless, while its options are narrower than before, Taiwan is far from being in a desperate situation, since its future depends of many factors and variables which are far from having all manifested themselves on the island, in China, in the US, and elsewhere.

50 KMT Official Website, 15 August 2011. The China Post, 26 March 2012.